

1997-99 Budget
House of Representatives
(Dollars in Thousands)

Wednesday, Apr. 16, 1997
11:20 am

	GF-S	Conference	Total
1995-97 Estimated Expenditures	49,303		49,318
1997-99 Maintenance Level (ERL)	49,303		49,303
Policy Changes:			
1. Equipment	400		400
2. Legislative Ethics Board	150		150
3. SCR 8408 Water Policy Report	25		25
Total Policy Changes	575		575
Total 1997-99 Biennium	49,878		49,878
Difference from 1995-97	575		560
% Change from 1995-97	1.2%		1.1%

Comments:

- 1. Equipment** - Funding is provided to purchase computer equipment to support the work of the Legislature.
- 2. Legislative Ethics Board** - Funding is provided for .5 FTE staff and operating expenses for the Legislative Ethics Board. Expenditure decisions of the Board, including employment of staff, shall be independent of the Senate and House of Representatives.
- 3. SCR 8408 Water Policy Report** - Funds are provided for the purposes of preparing the Water Policy Report under Substitute Senate Concurrent Resolution 8408. An equal amount of funding is provided by the Senate.

1997-99 Budget
Senate
(Dollars in Thousands)

Wednesday, Apr. 16, 1997
11:20 am

	GF-S	Conference	Total
1995-97 Estimated Expenditures	37,993		38,008
1997-99 Maintenance Level (ERL)	39,870		39,870
Policy Changes:			
1. Legislative Ethics Board	25		25
2. SCR 8408 Water Policy Report	25		25
3. Financial Aid/Tuition Study	100		100
Total Policy Changes	150		150
Total 1997-99 Biennium	40,020		40,020
Difference from 1995-97	2,027		2,012
% Change from 1995-97	5.3%		5.3%

Comments:

1. Legislative Ethics Board - In addition to \$125,000 provided in 1995, \$25,000 is provided for the Legislative Ethics Board to retain one full-time legal counsel/staff. An equal amount of funding is provided by the House of Representatives.

2. SCR 8408 Water Policy Report - Funds are provided for the purposes of preparing the Water Policy Report under Substitute Senate Concurrent Resolution 8408. An equal amount of funding is provided by the House of Representatives.

3. Financial Aid/Tuition Study - Funding is provided for a study by the Senate and House of Representatives fiscal committees to conduct a study of higher education financial aid and tuition.

1997-99 Budget
Jt Leg Audit & Review Committee
(Dollars in Thousands)

Wednesday, Apr. 16, 1997
11:20 am

	GF-S	Conference	Total
1995-97 Estimated Expenditures	3,011		3,011
1997-99 Maintenance Level (ERL)	2,796		2,796
Policy Changes:			
1. School District Terrorty	50		50
2. SSB 5633 DOT Performance Audit	515		515
Total Policy Changes	565		565
Total 1997-99 Biennium	3,361		3,361
Difference from 1995-97	350		350
% Change from 1995-97	11.6%		11.6%

Comments:

1. School District Terrorty - Funding is provided for the implementation of SSB 5071 (school district territory). The JLARC shall conduct a study on current laws and the State Board of Education's authority governing school district organization.

2. SSB 5633 DOT Performance Audit - One-time funding is provided to conduct a performance audit of the Department of Transportation pursuant to Substitute Senate Bill 5633.

1997-99 Budget
LEAP Committee
(Dollars in Thousands)

Wednesday, Apr. 16, 1997
11:20 am

	GF-S	Conference	Total
1995-97 Estimated Expenditures	2,324		2,324
1997-99 Maintenance Level (ERL)	2,324		2,324
Policy Changes:			
1. Non-classified Staff Adjustments	149		149
2. System Productivity Gains	-145		-145
3. Advanced Technical Training	14		14
4. Client Workstations/Servers	53		53
5. Local Government Fiscal Analysis	200		200
Total Policy Changes	271		271
Total 1997-99 Biennium	2,595		2,595
Difference from 1995-97	271		271
% Change from 1995-97	11.7%		11.7%

Comments:

1. Non-classified Staff Adjustments - These funds support non-classified staff salary and benefit increases, plus 0.2 FTEs to bring staffing levels to 11 full-time staff.

2. System Productivity Gains - This is a reduction in funds for personal services and goods and services through productivity gains.

3. Advanced Technical Training - This funding supports advanced technology training on new client/server software for LEAP staff.

4. Client Workstations/Servers - This request funds improvements to legislative client workstations for legislative fiscal committees and the eight servers maintained by the LEAP Committee. Workstations are upgraded on a three-year cycle.

5. Local Government Fiscal Analysis - Funds are provided to continue the work of the LEAP Committee to (1) collect and analyze local government fiscal data, and (2) conduct a one-time examination of state data processing projects funded in the state budget, with the objective of improving the Legislature's evaluation and oversight of state computer projects.

1997-99 Budget
Office of the State Actuary
(Dollars in Thousands)

Wednesday, Apr. 16, 1997
11:20 am

	GF-S	Conference	Total
1995-97 Estimated Expenditures	0		1,619
1997-99 Maintenance Level (ERL)	0		1,627
Policy Changes:			
1. JCPP Meeting Costs	0		12
2. Increase Staff to Full-Time	0		14
3. Computer Replacement	0		20
4. Enhance Connection to LSC	0		8
Total Policy Changes	0		54
Total 1997-99 Biennium	0		1,681
Difference from 1995-97	0		62
% Change from 1995-97	0.0%		3.8%

Comments:

1. JCPP Meeting Costs - Funding is provided to pay the rental costs of meeting facilities for the Joint Committee on Pension Policy (JCPP), which meets approximately seven times a year in the Sea-Tac area. The Committee had been using the Sea-Tac Legislative Office at no charge until its closure in 1995.

2. Increase Staff to Full-Time - Funding is provided to increase a Word Processing Specialist position from 80 percent to full time. The workload increase is due to Joint Committee on Pension Policy duties and additional office publications.

3. Computer Replacement - Funding is provided to allow the Legislative Service Center (LSC) to replace computers every three years. Being part of LSC's system, the State Actuary needs to replace its computer hardware to have the same computer capability.

4. Enhance Connection to LSC - Funding is provided to upgrade the current connection to the Legislative Service Center (LSC) for better processing service (LSC request).

1997-99 Budget
Joint Legislative Systems Committee
(Dollars in Thousands)

Wednesday, Apr. 16, 1997
11:20 am

	GF-S	Conference	Total
1995-97 Estimated Expenditures	8,900		11,146
1997-99 Maintenance Level (ERL)	9,260		11,129
Policy Changes:			
1. Central Purchasing	1,600		1,600
Total Policy Changes	1,600		1,600
Total 1997-99 Biennium	10,860		12,729
Difference from 1995-97	1,960		1,583
% Change from 1995-97	22.0%		14.2%

Comments:

1. Central Purchasing - This item provides funding for the Legislative Service Center to operate a central personal computer and software purchasing service for the Legislature. Currently the Senate, House of Representatives, and Statute Law Committee plan for their own acquisitions. The central purchasing service will result in more consistent and coordinated purchases. Equipment and software shall be purchased only at the request of the client agencies.

1997-99 Budget
Statute Law Committee
(Dollars in Thousands)

Wednesday, Apr. 16, 1997
11:20 am

	GF-S	Conference	Total
1995-97 Estimated Expenditures	6,432		9,048
1997-99 Maintenance Level (ERL)	6,893		9,775
Policy Changes:			
1. Transfer of computer purchasing	-108		-108
Total Policy Changes	-108		-108
Total 1997-99 Biennium	6,785		9,667
Difference from 1995-97	353		619
% Change from 1995-97	5.5%		6.8%

Comments:

1. Transfer of computer purchasing - The reduction represents the transfer to the Legislative Systems Committee of the function of purchasing personal computers and related equipment on behalf of the Statute Law Committee. The transfer will facilitate the coordination of legislative computer upgrades.

1997-99 Budget
Supreme Court
(Dollars in Thousands)

Wednesday, Apr. 16, 1997
11:20 am

	GF-S	Conference	Total
1995-97 Estimated Expenditures	9,284		9,284
1997-99 Maintenance Level (ERL)	9,414		9,414
Policy Changes:			
1. Furniture Replacement	51		51
2. General Inflation	-12		-12
Total Policy Changes	39		39
Total 1997-99 Biennium	9,453		9,453
Difference from 1995-97	169		169
% Change from 1995-97	1.8%		1.8%

Comments:

1. Furniture Replacement - Provides one-time funding to replace 19 law clerk workstations. The ergonomically designed workstations will reduce wrist and back injuries and make more efficient use of office space to accommodate modern office equipment.

2. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

1997-99 Budget
State Law Library
(Dollars in Thousands)

Wednesday, Apr. 16, 1997
11:20 am

	GF-S	Conference	Total
1995-97 Estimated Expenditures	3,256		3,256
1997-99 Maintenance Level (ERL)	3,560		3,560
Policy Changes:			
1. General Inflation	-6		-6
Total Policy Changes	-6		-6
Total 1997-99 Biennium	3,554		3,554
Difference from 1995-97	298		298
% Change from 1995-97	9.2%		9.2%

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

1997-99 Budget
Court of Appeals
(Dollars in Thousands)

Wednesday, Apr. 16, 1997
11:20 am

	GF-S	Conference	Total
1995-97 Estimated Expenditures	19,186		19,186
1997-99 Maintenance Level (ERL)	19,692		19,692
Policy Changes:			
1. Pro-Tem Judges -- Division III	10		10
2. General Inflation	-105		-105
3. One Additional Judge and Support	271		271
4. One-Time Remodel and Equipment	490		490
Total Policy Changes	666		666
Total 1997-99 Biennium	20,358		20,358
Difference from 1995-97	1,172		1,172
% Change from 1995-97	6.1%		6.1%

Comments:

1. Pro-Tem Judges -- Division III - Provides funding for pro-tempore judges for Division III in Spokane to sit on panels when other judges have a conflict.

2. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

3. One Additional Judge and Support - Provides funding for one additional judge position in Division 1 and 3.0 FTE support staff, effective July 1, 1998.

4. One-Time Remodel and Equipment - Funds are provided to remodel Division 1 court facilities. The current space must be reconfigured to accommodate the new judge and staff.

1997-99 Budget
Commission on Judicial Conduct
(Dollars in Thousands)

Wednesday, Apr. 16, 1997
11:20 am

	GF-S	Conference	Total
1995-97 Estimated Expenditures	1,439		1,439
1997-99 Maintenance Level (ERL)	1,266		1,266
Policy Changes:			
1. Preservation of State Records	16		16
2. Database Conversion	30		30
3. General Inflation	-7		-7
Total Policy Changes	39		39
Total 1997-99 Biennium	1,305		1,305
Difference from 1995-97	-134		-134
% Change from 1995-97	-9.3%		-9.3%

Comments:

1. Preservation of State Records - Provides one-time funding to comply with state laws governing the recovery and preservation of public records in an emergency.

2. Database Conversion - Funds a software upgrade from a DOS to a Windows operating system for managing the agency's data base that contains all its proceedings and cases.

3. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

1997-99 Budget
Office of Administrator for Courts
(Dollars in Thousands)

Wednesday, Apr. 16, 1997
11:20 am

	GF-S	Conference	Total
1995-97 Estimated Expenditures	24,225		74,569
1997-99 Maintenance Level (ERL)	25,125		61,830
Policy Changes:			
1. Juvenile Court IS Integration	0		2,612
2. Appellate Database Integration	0		375
3. Appellate Database Rewrite	0		264
4. Electronic Documents Study	0		200
5. DISCIS Data Entry Feasibility Study	0		60
6. Courts Automated Proceeding System	0		548
7. JIS Equipment Replacement	0		4,000
8. Electronic Publication Distribution	0		100
9. Automated Pro Se Information	0		188
10. JIS DB2 Database Review and Upgrade	0		408
11. Juvenile Court IS Backup Data	0		110
12. Disaster Recovery Plan	0		960
13. Electronic Judicial Order Sharing	0		228
14. Misdemeanor Criminal History	0		191
15. Expanded Law Agency Access to JIS	0		522
16. Seattle Municipal DISCIS Conversion	0		100
17. Snohomish Dist. DISCIS Conversion	0		96
18. Year 2000 Conversion	0		400
19. Court of Appeals LAN Support	0		278
20. Transfer Snohomish Diversion	100		-158
21. General Inflation	-142		-790
22. Judicial Program Funding Pool	200		200
23. Professional Guardian Study #	35		35
Total Policy Changes	193		10,927
Total 1997-99 Biennium	25,318		72,757
Difference from 1995-97	1,093		-1,812
% Change from 1995-97	4.5%		-2.4%

Comments:

1. Juvenile Court IS Integration - This one-time item funds the programming costs associated with integrating the Juvenile Information System into the Judicial Information System (JIS). The conversion will also assure that the database for juvenile offenders, which contains social and detention information, is Year 2000 compliant. (Judicial Information Systems Account)

2. Appellate Database Integration - The item provides one-time funding to perform the programming necessary to integrate the Appellate Court Docketing System (ACORDS) with the Judicial Information System and assure Year 2000 compliance. ACORDS handles case management for the Court of Appeals and Supreme Court, and contains the database of all attorneys eligible to practice law in Washington State. (Judicial Information Systems Account)

3. Appellate Database Rewrite - This item provides one-time funding for the conversion of the ACORDS system from a mainframe to a local-network or personal-computer environment that is more reliable and cheaper to maintain. (Judicial Information Systems Account)

4. Electronic Documents Study - This one-time item funds a study of the feasibility of enabling the courts and the Attorney General's Office to file routine court documents electronically with the Court of Appeals and Supreme Court. (Judicial Information Systems Account)

1997-99 Budget
Office of Administrator for Courts

5. DISCIS Data Entry Feasibility Study - One-time funding is provided for a feasibility study of enabling local prosecutors and law enforcement agencies to upload infraction and misdemeanor data from local systems into the District and Municipal Court Information System (DISCIS). If successful, this approach would eliminate redundant data entry by the courts. (Judicial Information Systems Account)

6. Courts Automated Proceeding System - This item provides training and installation funds for the new Courts Automated Proceeding System (CAPS) in 235 courts statewide. CAPS is a case-scheduling system for courts. (Judicial Information Systems Account)

7. JIS Equipment Replacement - This provides funding for the implementation of year two of the agency's schedule for replacing aging computer equipment in local courts. This request assumes a replacement rate of 20 percent per year. (Judicial Information Systems Account)

8. Electronic Publication Distribution - One-time funding is provided to enable the Administrator of the Courts to make agency-supported manuals for judges and their staff available electronically and to provide access to the manuals via the Judicial Information System network. (Judicial Information Systems Account)

9. Automated Pro Se Information - Funding is provided for a demonstration project to provide pro se litigants (litigants who act as their own attorneys) with electronic forms filing capability and information at courthouses, libraries, or through the Internet. In addition, court facilitators would be able to request standard forms through an automated telephone system. (Judicial Information Systems Account)

10. JIS DB2 Database Review and Upgrade - One-time funding is provided for a review the Judicial Information System database structure to identify changes that would improve response time, ease system maintenance, provide 24-hour access, and provide the ability to develop end-use functions more rapidly. (Judicial Information Systems Account)

11. Juvenile Court IS Backup Data - The item provides funding in order to allow uninterrupted access to data on juveniles' prior history of offenses. (Judicial Information Systems Account)

12. Disaster Recovery Plan - The item provides on-going funding to design, test, and train employees in the use of a disaster recovery/business resumption plan that assumes that essential, centralized JIS functions are unavailable for several days due to earthquake or other major disaster. (Judicial Information Systems Account)

13. Electronic Judicial Order Sharing - This one-time item will provide the capability for electronic transfer of such judicial orders as warrants or restraining orders from the courts to other criminal justice agencies. (Judicial Information Systems Account)

14. Misdemeanor Criminal History - This item will allow the Administrator of the Court to make the necessary modifications in order to provide the capacity to store indefinitely records of misdemeanor and gross-misdemeanor criminal history. This will create the ability to determine whether an offender has remained crime-free long enough to have prior felony convictions disregarded at a subsequent felony sentencing hearing. (Judicial Information Systems Account)

15. Expanded Law Agency Access to JIS - This on-going item funds toll-free telephone access to JIS by local law enforcement agencies seeking criminal justice information. (Judicial Information Systems Account)

16. Seattle Municipal DISCIS Conversion - This item provides funding a feasibility study of converting the Seattle Municipal Court's information system to DISCIS. (Judicial Information Systems Account)

17. Snohomish Dist. DISCIS Conversion - This one-time item would fund conversion of the Snohomish County South District Court to DISCIS, enabling county and state sharing of court information. (Judicial Information Systems Account)

18. Year 2000 Conversion - This one-time item funds replacement of vendor software that does not meet Year 2000 standards, as well as needed changes to applications using at-risk vendor software. (Judicial Information Systems Account)

1997-99 Budget
Office of Administrator for Courts

19. Court of Appeals LAN Support - This on-going item adds 3 FTE staff to provide on-site staff support for local area networks (LANs) at each Division of the Court of Appeals. (Judicial Information Systems Account)

20. Transfer Snohomish Diversion - General Fund-State funding is provided for the fiscal year 1998 for the Snohomish County pre-prosecution diversion program. For fiscal year 1999, funding responsibility is transferred to Snohomish County. (General Fund-State, Public Safety and Education Account)

21. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

22. Judicial Program Funding Pool - This item provides funding for enhancements to judicial programs. The specific program or programs to receive the enhancement will be determined by the Office of the Administrator for the Courts in consultation with the Supreme Court.

23. Professional Guardian Study # - This item provides funding for the Office of the Administrator for the Courts to conduct a study regarding implementing a certification process for professional guardians, pursuant to HB 1771.

* **Fund Shift** - This item shifts \$1.3 million in maintenance activities associated with various judicial information technology systems from the Public Safety and Education Account to the Judicial Information Systems Account. (Public Safety and Education Account, Judicial Information Systems Account)

1997-99 Budget
Office of Public Defense
(Dollars in Thousands)

Wednesday, Apr. 16, 1997
11:20 am

	GF-S	Conference	Total
1995-97 Estimated Expenditures	0		5,805
1997-99 Maintenance Level (ERL)	0		11,499
Policy Changes:			
1. Attorney Fees Increase	0		688
Total Policy Changes	0		688
Total 1997-99 Biennium	0		12,187
Difference from 1995-97	0		6,382
% Change from 1995-97	0.0%		109.9%

Comments:

1. Attorney Fees Increase - Funding is provided to increase reimbursement for private attorneys providing constitutionally mandated indigent appellate defense in non-death penalty cases from \$1,900 per case to \$2,100 per case. (Public Safety and Education Account)

1997-99 Budget
Office of the Governor
(Dollars in Thousands)

Wednesday, Apr. 16, 1997
11:20 am

	GF-S	Conference	Total
1995-97 Estimated Expenditures	8,823		9,048
1997-99 Maintenance Level (ERL)	9,735		10,807
Policy Changes:			
1. Action Team Technology Enhancement	57		57
2. Puget Sound Work Plan	479		479
3. General Inflation	-75		-75
4. Law Enforcement Medal of Honor	25		25
5. Puget Sound Education Grants	0		-184
6. Equipment Reduction	-21		-21
7. Puget Sound Action Team - Reduction	-36		-36
8. Executive Operations - Reduction	-154		-154
Total Policy Changes	275		91
Total 1997-99 Biennium	10,010		10,898
Difference from 1995-97	1,187		1,850
% Change from 1995-97	13.5%		20.4%

Comments:

1. Action Team Technology Enhancement - This funding will equip the Puget Sound Water Quality Action Team with computers and a wide-area network link from the Action Team (housed at the Department of Ecology headquarters) to the Governor's Office on the Capital Campus.

2. Puget Sound Work Plan - Funds are not provided for expanded technical assistance by the Puget Sound Action Team.

3. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

4. Law Enforcement Medal of Honor - Funding is provided to the Law Enforcement Medal of Honor Committee to recognize qualified law enforcement officers as provided by chapter 41.72 RCW.

5. Puget Sound Education Grants - Funding is reduced for Public Information and Education (PIE) grants awarded by the Puget Sound Action Team. (Water Quality Account)

6. Equipment Reduction - A reduction is taken in the administrative budget of the Office of the Family and Children's Ombudsman.

7. Puget Sound Action Team - Reduction - Printing costs are reduced by eliminating one-half of newsletters produced by the Puget Sound Water Quality Action Team each year.

8. Executive Operations - Reduction - One staff position and goods and services are reduced in the Governor's Office budget.

1997-99 Budget
Office of the Lieutenant Governor
(Dollars in Thousands)

Wednesday, Apr. 16, 1997
11:20 am

	GF-S	Conference	Total
1995-97 Estimated Expenditures	501		501
1997-99 Maintenance Level (ERL)	512		512
Policy Changes:			
1. General Inflation	-3		-3
2. Youth Drug & Alcohol Abuse Outreach	42		42
3. Acting Governor Compensation	14		14
Total Policy Changes	53		53
Total 1997-99 Biennium	565		565
Difference from 1995-97	64		64
% Change from 1995-97	12.8%		12.8%

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

2. Youth Drug & Alcohol Abuse Outreach - The Lieutenant Governor is provided funding to implement a program addressing the problems of drug and alcohol abuse primarily among the youth in Washington State. The effort will involve research, development of materials, and presentations throughout the state.

3. Acting Governor Compensation - This item provides additional funding to accommodate the actual number of days the Governor is typically out of state, which requires the Lieutenant Governor to act as Governor.

1997-99 Budget
Public Disclosure Commission
(Dollars in Thousands)

Wednesday, Apr. 16, 1997
11:20 am

	GF-S	Conference	Total
1995-97 Estimated Expenditures	2,235		2,235
1997-99 Maintenance Level (ERL)	2,240		2,240
Policy Changes:			
1. Filer Assistance	139		139
2. Compliance	52		52
3. General Inflation	-7		-7
4. Customer Technology Improvements	239		239
Total Policy Changes	423		423
Total 1997-99 Biennium	2,663		2,663
Difference from 1995-97	428		428
% Change from 1995-97	19.1%		19.1%

Comments:

1. Filer Assistance - One-time funding is provided to implement electronic filing of financial affairs statements and lobbyist registrations.

2. Compliance - Additional funding is provided to the PDC to enable the agency to utilize Attorney General services at a level comparable to that experienced in the current biennium.

3. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

4. Customer Technology Improvements - One-time funding is provided for customer service technology improvements including enhanced internet access, fax-on-demand technology, and personal computers and software compatible with the agency's new imaging system.

1997-99 Budget
Office of the Secretary of State
(Dollars in Thousands)

Wednesday, Apr. 16, 1997
11:20 am

	GF-S	Conference Total
1995-97 Estimated Expenditures	17,093	25,552
1997-99 Maintenance Level (ERL)	14,172	24,012
Policy Changes:		
1. Charitable Trust Backlog	179	179
2. International Education	50	50
3. Eliminate Legal Advertising #	-125	-125
4. General Inflation	-166	-250
5. Census Block Boundary Program	99	99
6. Local Elections Certification	-353	-353
7. Oral History Program	55	55
8. State Horse Park Feasibility Study	45	45
Total Policy Changes	-216	-300
Total 1997-99 Biennium	13,956	23,712
Difference from 1995-97	-3,137	-1,840
% Change from 1995-97	-18.4%	-7.2%

Comments:

1. Charitable Trust Backlog - Charitable trusts are required to file and be registered with the Secretary of State's Office. Funds and one staff person are provided to address the agency's nine month backlog of filings, trust registrations, and re-registrations.

2. International Education - Chapter 253, Laws of 1996 (House Bill 2291) authorizes the Office of the Secretary of State to establish an international education database. As a discretionary function, this should be performed within available resources.

3. Eliminate Legal Advertising # - Senate Bill 6068, introduced at the request of the Secretary of State, allows efficiencies in the cost of legal advertising for proposed state constitutional amendments. The statutory advertising duplicates information provided in the state Voters' Pamphlet and available from other public sources.

4. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

5. Census Block Boundary Program - One-time funding is provided to prepare for the state's participation in the United State's Census Voting District Project to update U.S. census precinct boundaries and to facilitate the upcoming census and redistricting processes.

6. Local Elections Certification - Funding is reduced for continuing costs of audit review of county election offices. Audits of each of the 39 counties will be completed during the 1997-99 biennium, and further audits should be conducted pursuant to Senate Bill 5565 on an as-needed basis within available resources.

7. Oral History Program - Funds are provided to expand the Secretary of State's Oral History Program, which documents the oral history of state government.

8. State Horse Park Feasibility Study - The Secretary of State is directed to contract for an economic feasibility study of establishing a State Horse Park.

1997-99 Budget
Governor's Office of Indian Affairs
(Dollars in Thousands)

Wednesday, Apr. 16, 1997
11:20 am

	GF-S	Conference	Total
1995-97 Estimated Expenditures	347		347
1997-99 Maintenance Level (ERL)	374		374
Policy Changes:			
1. General Inflation	-1		-1
Total Policy Changes	-1		-1
Total 1997-99 Biennium	373		373
Difference from 1995-97	26		26
% Change from 1995-97	7.5%		7.5%

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

1997-99 Budget
Asian/Pacific-American Affrs
(Dollars in Thousands)

Wednesday, Apr. 16, 1997
11:20 am

	GF-S	Conference	Total
1995-97 Estimated Expenditures	370		370
1997-99 Maintenance Level (ERL)	376		376
Policy Changes:			
1. Support Staff	28		28
2. General Inflation	-3		-3
Total Policy Changes	25		25
Total 1997-99 Biennium	401		401
Difference from 1995-97	31		31
% Change from 1995-97	8.4%		8.4%

Comments:

1. Support Staff - Funding is provided to restore the salary reduction of an administrative assistant position made as part of a consolidation effort of the four ethnic agencies in 1993.

2. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

1997-99 Budget
Office of the State Treasurer
(Dollars in Thousands)

Wednesday, Apr. 16, 1997
11:20 am

	GF-S	Conference	Total
1995-97 Estimated Expenditures	0		11,021
1997-99 Maintenance Level (ERL)	0		11,153
Policy Changes:			
1. Information Systems	0		450
2. Technology Improvements	0		20
3. General Inflation	0		-56
Total Policy Changes	0		414
Total 1997-99 Biennium	0		11,567
Difference from 1995-97	0		546
% Change from 1995-97	0.0%		5.0%

Comments:

1. Information Systems - This funding continues development of a new treasury management system that was begun with a feasibility study in 1996. The amount provided reflects the first-year estimate for design and development of a treasury management system to replace the existing state debt, investments, cash management, and treasury accounting systems. Additional funding will be requested with the 1998 supplemental operating budget to provide for second-year costs. (State Treasurer's Service Account)

2. Technology Improvements - Several improvements are provided for the Office's information and computing capabilities. A service connection to the statewide network operated by the Department of Information Services will allow the Office to connect with statewide accounting systems and share data with other agencies. This funding will also allow the Office to repair weaknesses in its phone and data lines. (State Treasurer's Service Account)

3. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

1997-99 Budget
Office of the State Auditor
(Dollars in Thousands)

	GF-S	Conference Total
1995-97 Estimated Expenditures	508	38,294
1997-99 Maintenance Level (ERL)	859	37,190
Policy Changes:		
1. Staff Increase	0	1,000
2. Increase in Local Audits	0	306
3. Special Request Audits	0	624
4. Relocate Local Offices	0	174
5. General Inflation	-3	-148
6. Reduction in Audit Services	0	-230
7. Local Government Fiscal Reporting	500	500
Total Policy Changes	497	2,226
Total 1997-99 Biennium	1,356	39,416
Difference from 1995-97	848	1,122
% Change from 1995-97	166.9%	2.9%

Comments:

1. Staff Increase - The State Auditor received funds in the 1995-97 Biennium to automate the audit process. The result was a reduction of 10 FTE staff, with a savings of \$1 million per year. The software was pilot tested and found not to meet the needs of the State Auditor; the funding the project received will be returned in the 1997 supplemental operating budget. This item reinstates the staff and funding necessary to perform on-going audit functions. (Auditing Services Revolving Account; Municipal Revolving Account-Nonappropriated)

2. Increase in Local Audits - Funding and additional staff are provided for increased workload in local government audits. (Municipal Revolving Account-Nonappropriated)

3. Special Request Audits - This item provides funding for special request audits from local municipalities. (Municipal Revolving Account-Nonappropriated)

4. Relocate Local Offices - Local offices of the State Auditor are currently located in office space shared with the agencies they audit. Funding is provided to allow these local offices to lease their own space. (Municipal Revolving Account-Nonappropriated)

5. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

6. Reduction in Audit Services - The State Auditor will slightly reduce the number of audit hours on low-risk issues involving state agencies, and therefore reduce the cost of conducting those audits. (Auditing Services Revolving Account)

7. Local Government Fiscal Reporting - One-time funding is provided for improvements to the Budget & Accounting Reporting System (BARS) to improve the collection and reporting of local government fiscal data, as recommended by the local government finance study group.

1997-99 Budget
Comm Salaries for Elected Officials
(Dollars in Thousands)

Wednesday, Apr. 16, 1997
11:20 am

	GF-S	Conference	Total
1995-97 Estimated Expenditures	67		67
1997-99 Maintenance Level (ERL)	67		67
Total 1997-99 Biennium	67		67
Difference from 1995-97	0		0
% Change from 1995-97	0.0%		0.0%

Comments:

1997-99 Budget
Office of the Attorney General
(Dollars in Thousands)

Wednesday, Apr. 16, 1997
11:20 am

	GF-S	Conference Total
1995-97 Estimated Expenditures	8,978	139,252
1997-99 Maintenance Level (ERL)	6,963	136,947
Policy Changes:		
1. Attorney Salary Increases	0	1,000
2. Ecology Legal Services Demand	0	710
3. DSHS Legal Services Demand	0	240
4. Reduce Administration Funding	-50	-50
5. Tort Defense Increase	0	1,080
6. Additional Legal Services	0	663
7. Motor Vehicle Warranties Act	0	-768
8. Idaho Mining Litigation	300	300
9. General Inflation	-71	-1,179
10. Health Care Anti-Trust Monitoring	0	-152
11. SMART Program	850	850
Total Policy Changes	1,029	2,694
Total 1997-99 Biennium	7,992	139,641
Difference from 1995-97	-986	389
% Change from 1995-97	-11.0%	0.3%

Comments:

1. Attorney Salary Increases - A special salary increase was funded in the 1995-97 biennium to allow the Attorney General to target salary increases to assistant attorneys general to address retention and turnover problems. Additional funds are provided for a second attorney salary increase in the 1997-99 biennium to ensure that the agency can retain experienced attorneys. In addition to this funding, assistant attorneys general receive the general cost-of-living increase provided to state employees. (Legal Services Revolving Account)

2. Ecology Legal Services Demand - Funding is provided for an additional attorney and a legal secretary to help the Department of Ecology to address the increased workload in water rights applications. The new attorney and legal secretary will focus on water resources appeals. Additionally, funding and staff are provided for legal representation and expert witness costs related to the appeal of the Intertanko lawsuit. (Legal Services Revolving Account)

3. DSHS Legal Services Demand - The Department of Social and Health Services has experienced a significant increase in litigation. Funding is provided to support two paralegals who will prepare cases and free up attorney time for more complex legal issues affecting the agency. (Legal Services Revolving Account)

4. Reduce Administration Funding - Savings will be made in the agency's administrative support for non-legal services revolving fund programs. Support functions will be reduced in areas such as centralized budget and accounting, personal, specialized library, and information services.

5. Tort Defense Increase - In the past three years, the number of lawsuits against the state has increased 50 percent. Funds support three tort defense assistant attorneys general to investigate, resolve, and defend the state against lawsuits. (Legal Services Revolving Account)

6. Additional Legal Services - The Department of Labor and Industries, Office of Administrative Hearings, Public Disclosure Commission, and Office of Environmental Hearings need additional legal services above current budgeted levels. Funds are provided for these expenses. (Legal Services Revolving Account)

1997-99 Budget
Office of the Attorney General

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7. Motor Vehicle Warranties Act - A reduction in the New Motor Vehicle Arbitration Account expenditure is necessary due to declining revenues and insufficient fund balance. (New Motor Vehicle Arbitration Account)

8. Idaho Mining Litigation - One-time funding supports a comprehensive assessment of environmental and public health impacts and associated legal costs for pursuing remedies for pollution in the Spokane River basin.

9. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

10. Health Care Anti-Trust Monitoring - To bring Health Services Account expenditures in line with account revenues, dedicated funding is eliminated for health care anti-trust activities. If health care anti-trust activities are needed, existing anti-trust funding from the General Fund may be used. (Health Services Account--State)

11. SMART Program - Funding is provided to implement the Supervision Management and Recidivist Tracking (SMART) program. The SMART program will allow the Department of Corrections and local law enforcement agencies to share information through the Homicide Investigation and Tracking System (HITS) concerning the activities of offenders on community supervision.

1997-99 Budget
Dept of Financial Institutions
(Dollars in Thousands)

Wednesday, Apr. 16, 1997
11:20 am

	GF-S	Conference Total
1995-97 Estimated Expenditures	0	13,940
1997-99 Maintenance Level (ERL)	0	14,673
Policy Changes:		
1. Securities Enforcement Enhancement	0	460
2. Administration & Technology Package	0	496
3. License Suspension #	0	102
4. General Inflation	0	-62
Total Policy Changes	0	996
Total 1997-99 Biennium	0	15,669
Difference from 1995-97	0	1,729
% Change from 1995-97	0.0%	12.4%

Comments:

1. Securities Enforcement Enhancement - Funding is provided for increased securities enforcement. Of the total amount, \$4,000 is provided for one-time costs in Fiscal Year 1998. (Securities Regulation Account)

2. Administration & Technology Package - Funding is provided to develop business technology applications and automate internal office applications. One-time funds of \$216,000 are provided for the development of the new applications. (Securities Regulation Account, Banking Examination Account, Credit Unions Examination Account)

3. License Suspension # - This item includes funding for the additional workload associated with the license suspension provision in Engrossed House Bill No. 3901. The bill will affect two Department of Financial Institutions program areas. The Division of Securities licenses securities broker-dealers, salespersons, investment advisers and investment adviser representatives. The Division of Consumer Services licenses escrow officers and mortgage brokers. (Securities Regulation Account, Banking Examination Account)

4. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

1997-99 Budget
Dept Community, Trade, & Econ Dev
(Dollars in Thousands)

Wednesday, Apr. 16, 1997
11:20 am

	GF-S	Conference Total
1995-97 Estimated Expenditures	105,116	298,121
1997-99 Maintenance Level (ERL)	110,153	300,408
Policy Changes:		
1. Pass-through Funds Reduction	0	-2,894
2. General Inflation	-291	-453
3. Land Use Study - Buildable Lands #	2,000	2,000
4. Washington Technology Center	500	500
5. CASA/GAL	600	600
6. Public Participation Grants	0	555
7. Community Connections Project	150	150
8. Long-Term Care Ombudsman	100	100
9. Domestic Violence Legal Advocacy	0	423
10. ECEAP Vendor Rate	1,286	1,286
11. Community Investment Unit	0	445
12. Community Development Finance	-247	-247
13. Business Recruitment Reduction	-275	-275
14. Biotechnology Conference	75	75
15. Director's Office Staffing	-90	-90
16. Space Reduction	-48	-48
17. Regulatory Reform Efficiency	-33	-33
18. CERB Support	-96	0
19. Energy Strategy Reduction	-30	-30
20. Employee Ownership	-133	-133
21. Economic Dev Advocacy	-165	-165
22. Business Loans Mgmt Efficiency	-81	-81
23. International Trade	-274	-274
24. Foodstamp Outreach	-300	-300
25. Growth Management Grants	-968	-968
26. Re-Employment Support Center	-121	-121
27. Safe Drinking Water	0	213
28. Public Works - Financial Management	0	450
29. Federal Flood Assistance	0	7,714
Total Policy Changes	1,559	8,399
Total 1997-99 Biennium	111,712	308,807
Difference from 1995-97	6,596	10,686
% Change from 1995-97	6.3%	3.6%

Comments:

1. Pass-through Funds Reduction - Pass-through funds are reduced for mobile home relocation assistance and Hanford area economic development assistance, consistent with available revenues in the 1997-99 Biennium. (Mobile Home Park Relocation Account, Hanford Area Economic Investment Account)

2. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

3. Land Use Study - Buildable Lands # - Funding is provided to counties and cities to evaluate the inventory of buildable lands as required by Engrossed Substitute House Bill 1576 or Senate Bill 6094 (buildable lands, growth management).

1997-99 Budget
Dept Community, Trade, & Econ Dev

- 4. Washington Technology Center** - Provides funding for the Washington Technology Center to increase the number of research and development projects that can be conducted in conjunction with private sector partners.
- 5. CASA/GAL** - Funding is provided to train additional volunteer Court Appointed Special Advocates or Guardian Ad Litem to represent children in dependency court proceedings.
- 6. Public Participation Grants** - Funding is provided for CTED to administer public participation grants under the Model Toxics Control Act. (State Toxics Control Account)
- 7. Community Connections Project** - Funding is provided to continue the Walla Walla Community Connections program that serves at-risk youth and families.
- 8. Long-Term Care Ombudsman** - Provides funding for long term care ombudsman services to be extended to underserved areas of the state.
- 9. Domestic Violence Legal Advocacy** - Additional funding from the federal Department of Justice Byrne Grant will provide for more legal advocacy services to victims of domestic violence. (General Fund-Federal)
- 10. ECEAP Vendor Rate** - This item provides funding for a 3% vendor rate increase, effective July 1, 1997, for Early Childhood Education and Assistance Program (ECEAP) providers.
- 11. Community Investment Unit** - The Community Economic Revitalization Board will use the additional staff to evaluate new funding requests and to monitor the existing loan portfolio. Funds to administer the Public Works Trust Fund program are shifted from the capital budget to the operating budget. (Public Facility Construction Loan Revolving Account, Public Works Assistance Account)
- 12. Community Development Finance** - Two positions are eliminated and state technical assistance to local banks and local development organizations concerning long-term financing for business start-up and expansion will be reduced.
- 13. Business Recruitment Reduction** - Funding is reduced for the department's business recruitment program. Through administrative re-programming of funds, this program has increased significantly during the past biennium.
- 14. Biotechnology Conference** - Funding is provided for state sponsorship of a biotechnology conference scheduled for May 1999 in Seattle.
- 15. Director's Office Staffing** - One position is eliminated in the Director's office.
- 16. Space Reduction** - Leased space will be reduced as an efficiency measure in the Westin Building in Seattle.
- 17. Regulatory Reform Efficiency** - Program staff will absorb part of the regulatory reform activities that were being handled by the Local Development Assistance Service Area for the benefit of the total agency.
- 18. CERB Support** - Eliminates state general fund support for the Community Economic Revitalization Board's operations and shifts the cost to the Public Facilities Construction Loan Revolving Fund.
- 19. Energy Strategy Reduction** - Agency staff will absorb the work associated with revising the Washington State Energy Strategy document rather than contracting for services.
- 20. Employee Ownership** - As an efficiency measure, one position and related funding is eliminated. The workload will be absorbed by other agency staff.
- 21. Economic Dev Advocacy** - An exempt position responsible for economic policy development is eliminated.

1997-99 Budget
Dept Community, Trade, & Econ Dev

22. Business Loans Mgmt Efficiency - As an efficiency measure and through improved technology, one position is eliminated from the Loan Portfolio Management program and the associated workload will be absorbed by other staff in the program.

23. International Trade - Funding to support the international trade programs is reduced. The Department is conducting a review of its roles and responsibilities in support of international trade development. The specific impacts of this proposed reduction will be determined as a part of this effort.

24. Foodstamp Outreach - State funding for the Food Stamp Outreach Program is eliminated.

25. Growth Management Grants - Growth management grants for the 97-99 biennium are reduced.

26. Re-Employment Support Center - Funding for the King County Reemployment Support Center is transferred to the Employment Security Department.

27. Safe Drinking Water - The federal government has provided funding to improve the state's water systems. The Department of Community, Trade, and Economic Development (CTED) will operate a state revolving fund to finance these improvements. (General Fund-Federal)

28. Public Works - Financial Management - The Public Works Trust Fund program will acquire new financial management software to assist the department in managing the program's loan portfolio.

29. Federal Flood Assistance - Additional federal flood assistance has been awarded to the state through the Community Development Block Grant program. These funds will assist 27 counties with the costs associated with the November 1995 and February 1996 floods. (General Fund-Federal).

1997-99 Budget
Economic & Revenue Forecast Council
(Dollars in Thousands)

Wednesday, Apr. 16, 1997
11:20 am

	GF-S	Conference	Total
1995-97 Estimated Expenditures	1,015		1,015
1997-99 Maintenance Level (ERL)	910		910
Policy Changes:			
1. General Inflation	-5		-5
Total Policy Changes	-5		-5
Total 1997-99 Biennium	905		905
Difference from 1995-97	-110		-110
% Change from 1995-97	-10.8%		-10.8%

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

1997-99 Budget
Office of Financial Management
(Dollars in Thousands)

Wednesday, Apr. 16, 1997
11:20 am

	GF-S	Conference Total
1995-97 Estimated Expenditures	19,506	56,103
1997-99 Maintenance Level (ERL)	19,740	54,803
Policy Changes:		
1. AmeriCorps Federal Requirements	210	0
2. 2000 Census Workload	131	131
3. Population Survey	275	275
4. Performance Measure System	89	89
5. Acceptance Testing	0	114
6. Budget and Allotment System	0	462
7. Information Systems Enhancements	0	1,150
8. Replace Health Services Account	0	-339
9. General Inflation	-107	-120
10. Educational Network Funding	250	250
11. Decrease Contract Services	-150	-150
12. Staff Reductions	-344	-344
Total Policy Changes	354	1,518
Total 1997-99 Biennium	20,094	56,321
Difference from 1995-97	588	218
% Change from 1995-97	3.0%	0.4%

Comments:

1. AmeriCorps Federal Requirements - Match requirements for the federal AmeriCorps program are increasing in the 1997-99 Biennium. Funding is provided to assist local programs in distressed areas with their increased match requirements.

2. 2000 Census Workload - Recent restructuring within the federal Census Bureau will require states to perform additional duties related to the 2000 Census. One full-time demographer is added to address the increased workload.

3. Population Survey - Funding is provided to allow the Office of Financial Management (OFM) to contract for a new biennial survey of Washington State's population. Federal intercensal surveys provide regional data, but because they group Washington with California and other states, the federal data do not accurately reflect Washington's social and demographic characteristics. Washington-specific data will be used in all population and budget forecasts prepared by OFM, to establish performance measures, and to address questions and issues related to the implementation of federal welfare legislation.

4. Performance Measure System - In accordance with Chapter 317, Laws of 1996, the Office of Financial Management is in the process of implementing a statewide system of performance measures tied to agencies' budget requests. Staff and funds are provided for software development and ongoing support expenses of a computer system for tracking performance measures.

5. Acceptance Testing - Currently, changes to any of the statewide accounting systems require extensive testing to ensure that the changes are accepted by all interfacing systems. An additional staff position is provided to enable a more streamlined acceptance testing procedure. (Data Processing Revolving Account-Nonappropriated)

6. Budget and Allotment System - The current budget and allotment systems are being evaluated, and alternatives are under consideration. Staff and funding for contractors and software are provided to complete current allotment system improvements and redevelopment of budget systems. (Data Processing Revolving Account-Nonappropriated)

1997-99 Budget
Office of Financial Management

Wednesday, Apr. 16, 1997
11:20 am

7. Information Systems Enhancements - This funding will allow the Office of Financial Management to make several improvements in its statewide budget and accounting systems. OFM will contract for engineering services to develop new input processes for the Agency Financial Reporting System (AFRS) and to modernize AFRS reporting processes to make it easier for agencies to use AFRS data. This funding will also enable a feasibility study for upgrading AFRS to a relational database platform, and provide improvements in the accounts receivable system and training for agencies in statewide accounting policies and systems. (Data Processing Revolving Account-Nonappropriated)

8. Replace Health Services Account - Health Services Account funding for health data analysis is deleted.

9. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

10. Educational Network Funding - Funding and staff are provided to support the K-20 Governance Committee as required by either SHB 1698 or SSB 5002 (K-20 telecommunications network).

11. Decrease Contract Services - The Office of Financial Management contracts with the Washington Association of Sheriffs and Police Chiefs (WASPC) for jail population data. Funding for contracted jail data collection services is cut by 50 percent.

12. Staff Reductions - The Office of Financial Management will reduce staff. These reductions will be achieved through vacancies and attrition where possible.

1997-99 Budget
Office of Administrative Hearings
(Dollars in Thousands)

Wednesday, Apr. 16, 1997
11:20 am

	GF-S	Conference Total
1995-97 Estimated Expenditures	0	15,114
1997-99 Maintenance Level (ERL)	0	17,654
Policy Changes:		
1. Technology Plan	0	195
2. Legal Education Credits	0	46
3. DSHS Program Change	0	45
4. License Suspension #	0	1,798
5. General Inflation	0	-73
Total Policy Changes	0	2,011
Total 1997-99 Biennium	0	19,665
Difference from 1995-97	0	4,551
% Change from 1995-97	0.0%	30.1%

Comments:

1. Technology Plan - Funding is provided for technology improvements including computers, server upgrades, and \$65,000 for the interface with the Employment Security Department. (Administrative Hearings Revolving Account)

2. Legal Education Credits - Funding is provided for continuing legal credits for the Administrative Law Judges at the Office of Administrative Hearings (OAH) to meet professional licensing requirements. (Administrative Hearings Revolving Account)

3. DSHS Program Change - This item funds an additional 0.5 FTE staff to implement an audit finding that the responsibility for billing and paying for goods and services should shift from the Department of Social and Health Services to OAH. (Administrative Hearings Revolving Account)

4. License Suspension # - This item funds the additional workload due to an expected increase in hearings resulting from Engrossed House Bill No. 3901. (Administrative Hearings Revolving Account)

5. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

1997-99 Budget
Department of Personnel
(Dollars in Thousands)

Wednesday, Apr. 16, 1997
11:20 am

	GF-S	Conference Total
1995-97 Estimated Expenditures	720	30,591
1997-99 Maintenance Level (ERL)	0	27,480
Policy Changes:		
1. Career Transition Continued Funding	0	500
2. Facility Remodel/Relocate	0	220
3. Data Warehouse Enhancements	0	800
4. General Inflation	0	-221
Total Policy Changes	0	1,299
Total 1997-99 Biennium	0	28,779
Difference from 1995-97	-720	-1,812
% Change from 1995-97	-100.0%	-5.9%

Comments:

1. Career Transition Continued Funding - Funding is provided to retain and refine the state's career transition services. The career transition center will provide outplacement counseling, skills assessments, retraining resources, resume preparation assistance, interviewing techniques and other job seeking related skills for state employees being laid off or at risk of reduction-in-force (RIF). Areas targeted for refinement are strengthening training efforts to comprehensively educate participating employees and hiring agencies, and improving the RIF transition pool matching process to better align employees and recruited positions. The Department of Personnel (DOP) will begin to measure customer satisfaction associated with the associated program services. (Personnel Services Revolving Fund)

2. Facility Remodel/Relocate - Funding is provided to temporarily relocate Department of Personnel staff and services during the time period the Franklin Street building is being renovated. Funding for the renovation will be recommended in the Department of General Administration Capital Budget. (Personnel Services Revolving Fund)

3. Data Warehouse Enhancements - Funding is provided for the expansion of the data warehouse on the statewide work force and to provide the Office of Financial Management, Legislature, and state agencies with direct access to this expanded data for policy and planning purposes. Additional funding will be requested for completion of this project in the 1999-01. Further funding requests for a human resource information system will be based on an updated feasibility study which documents the costs and benefits of the system. (Personnel Services Revolving Fund)

4. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

1997-99 Budget
State Lottery Commission
(Dollars in Thousands)

Wednesday, Apr. 16, 1997
11:20 am

	GF-S	Conference Total
1995-97 Estimated Expenditures	0	466,202
1997-99 Maintenance Level (ERL)	0	675,636
Policy Changes:		
1. Business Process Redesign	0	211
2. New On-line Game	0	12,816
3. General Inflation	0	-105
Total Policy Changes	0	12,922
Total 1997-99 Biennium	0	688,558
Difference from 1995-97	0	222,356
% Change from 1995-97	0.0%	47.7%

Comments:

1. Business Process Redesign - Funding is provided to improve the marketing of lottery games. This funding will assist the state Lottery's continued effort to increase organizational focus on marketing. The additional staff include a retailer training coordinator and a gambling license technician. (Lottery Administrative Account-State)

2. New On-line Game - This item funds the costs associated with developing and marketing a new on-line game. The new game is expected to increase the Lottery's transfer to the state General Fund by \$7 million in the 1997-99 Biennium and \$16.5 million in the 1999-01 Biennium. The additional 3.0 FTE staff include: a customer service specialist, product specialist and a computer information consultant. (Lottery Administrative Account - State)

3. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

1997-99 Budget
Washington State Gambling Comm
(Dollars in Thousands)

Wednesday, Apr. 16, 1997
11:20 am

	GF-S	Conference Total
1995-97 Estimated Expenditures	1,000	19,914
1997-99 Maintenance Level (ERL)	0	18,070
Policy Changes:		
1. Computer and Communication Upgrade	0	542
2. Tribal Casino Regulation	0	160
3. General Inflation	0	-139
Total Policy Changes	0	563
Total 1997-99 Biennium	0	18,633
Difference from 1995-97	-1,000	-1,281
% Change from 1995-97	-100.0%	-6.4%

Comments:

1. Computer and Communication Upgrade - This item provides funding for replacement of 76 personal computers necessary to link to the agency network, a processor upgrade to the agency's mini-computer, and an upgrade for the telephone system at the Southwest region office. (Gambling Revolving Account-Nonappropriated)

2. Tribal Casino Regulation - This item provides for an additional Gambling License Technician, training, and a limited amount of remote tele-communications equipment. (Gambling Revolving Account-Nonappropriated)

3. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

1997-99 Budget
WA State Comm on Hispanic Affairs
(Dollars in Thousands)

Wednesday, Apr. 16, 1997
11:20 am

	GF-S	Conference	Total
1995-97 Estimated Expenditures	416		416
1997-99 Maintenance Level (ERL)	403		403
Policy Changes:			
1. Computer Upgrades	7		7
2. General Inflation	-3		-3
Total Policy Changes	4		4
Total 1997-99 Biennium	407		407
Difference from 1995-97	-9		-9
% Change from 1995-97	-2.2%		-2.2%

Comments:

1. Computer Upgrades - Funding is provided for computers and associated software to perform database functions and required budget and policy work.

2. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

1997-99 Budget
African-American Affairs Comm
(Dollars in Thousands)

Wednesday, Apr. 16, 1997
11:20 am

	GF-S	Conference	Total
1995-97 Estimated Expenditures	311		311
1997-99 Maintenance Level (ERL)	318		318
Policy Changes:			
1. Staff Increase	18		18
2. General Inflation	-2		-2
3. Computer Upgrades	4		4
Total Policy Changes	20		20
Total 1997-99 Biennium	338		338
Difference from 1995-97	27		27
% Change from 1995-97	8.7%		8.7%

Comments:

1. Staff Increase - Funding is provided for additional staff time to perform clerical duties and to coordinate activities related to constituent work, report publication, and special events.

2. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

3. Computer Upgrades - Funding is provided for a computer and associated software to perform database functions and required policy and budget operations.

1997-99 Budget
Personnel Appeals Board
(Dollars in Thousands)

Wednesday, Apr. 16, 1997
11:20 am

	GF-S	Conference	Total
1995-97 Estimated Expenditures	0		1,636
1997-99 Maintenance Level (ERL)	0		1,651
Policy Changes:			
1. Funding Level Adjustment	0		-100
2. General Inflation	0		-12
Total Policy Changes	0		-112
Total 1997-99 Biennium	0		1,539
Difference from 1995-97	0		-97
% Change from 1995-97	0.0%		-5.9%

Comments:

1. Funding Level Adjustment - A funding level adjustment is made to reflect actual ongoing agency expenditures. During the 1993-95 and 1995-97 biennia, the Personnel Appeals Board had consistent spending levels below their appropriations. (Personnel Services Revolving Fund)

2. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

1997-99 Budget
Department of Retirement Systems
(Dollars in Thousands)

Wednesday, Apr. 16, 1997
11:20 am

	GF-S	Conference	Total
1995-97 Estimated Expenditures	0		33,328
1997-99 Maintenance Level (ERL)	0		31,733
Policy Changes:			
1. One-Time TRS Plan 3 Support	0		275
2. Ongoing TRS Plan 3 Support	0		25
3. Electronic Document Imaging System	0		1,373
4. Receivables Management System	0		1,259
5. Additional Employer Auditors	0		230
6. General Inflation	0		-163
Total Policy Changes	0		2,999
Total 1997-99 Biennium	0		34,732
Difference from 1995-97	0		1,404
% Change from 1995-97	0.0%		4.2%

Comments:

1. One-Time TRS Plan 3 Support - Funding is provided for one-time support for the Teachers' Retirement System (TRS) Plan 3. This funding is for contract services to set up optional benefit payouts and annuity purchases for TRS Plan 3 members. These services are statutorily required and the fiscal impact was not originally accounted for in the initial agency fiscal note or agency appropriation. (Department of Retirement Systems Expense Account)

2. Ongoing TRS Plan 3 Support - Funding is provided for additional on-going support for the Teachers' Retirement System (TRS). This funding is for ongoing costs to support continued annuity payouts for TRS Plan 3 members. These services are statutorily required and the fiscal impact was not originally accounted for in the initial agency fiscal note or agency appropriation. (Department of Retirement Systems Expense Account)

3. Electronic Document Imaging System - Funding is provided to acquire equipment and contracted services to begin implementation of an Electronic Document Image Management System (EDIMS) to replace the current member paper file folder system. EDIMS technology will allow the agency to improve client service by providing staff with better access to data, reduce the costs for storing and handling paper documents, improve security and disaster recovery capability for agency data, improve methods of archiving data, and implement a cost effective solution that provides improved access and sharing of agency data. The project will start FY99 and additional funds will be requested to complete the project. By December 15, 1997, the department will submit to OFM and the fiscal committees of the legislatures an updated feasibility study that will outline all projected costs and benefits of the system. (Department of Retirement Systems Expense Account)

4. Receivables Management System - Funding is provided for the development and implementation of a receivables management system. Receivables management is the only area of activity not integrated with the rest of the agency processing. An in-house developed process will provide the needed level of integration with other agency processes. This project is the last phase of the business system consolidation and re-engineering efforts begun in 1990. The project will be completed by the end of the 1997-99 Biennium. (Department of Retirement Systems Expense Account)

5. Additional Employer Auditors - Funding and FTE staff are provided for two additional audit positions. The new positions will allow the agency to conduct audits on employers that have never been audited in the past; this includes most of the larger cities and school districts. The increase in the audit staff will allow audits to be conducted in a more timely manner, and will be able to identify and recover additional monies due to the pension trust funds. The anticipated annual recovery and return to the trust fund is estimated to be \$160,000 per additional auditor. (Department of Retirement Systems Expense Account)

1997-99 Budget
Department of Retirement Systems

6. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

1997-99 Budget
State Investment Board
(Dollars in Thousands)

Wednesday, Apr. 16, 1997
11:20 am

	GF-S	Conference	Total
1995-97 Estimated Expenditures	0		8,688
1997-99 Maintenance Level (ERL)	0		9,418
Policy Changes:			
1. Workload Enhancements	0		405
2. Deferred Contributions Assistance	0		64
3. Investment Accountability	0		471
4. General Inflation	0		-55
Total Policy Changes	0		885
Total 1997-99 Biennium	0		10,303
Difference from 1995-97	0		1,615
% Change from 1995-97	0.0%		18.6%

Comments:

1. Workload Enhancements - Funding is provided for workload increases in the Fixed Income Unit at the State Investment Board (SIB). Fixed income assets are internally managed, and SIB estimates the investment earnings will increase by \$2.5 billion during the 1997-99 Biennium. These assets need additional analysis due to dramatic changes in the market, including international dollar-denominated project financing, deregulation, increasing complexity in security structures, and increasing diversity of options. Funding of this item results in an anticipated \$1.5 million in added return against the performance benchmark of approximately one basis point per year on internally managed funds. One-time funding of \$13,000 is provided in the first fiscal year for equipment. (State Investment Board Expense Account)

2. Deferred Contributions Assistance - In 1995, the Legislature directed that SIB manage the accounting functions and also become the default option for teachers participating in the Teachers' Retirement System Plan III (TRS III). Previously, SIB has not managed a defined contribution plan, and does not have staff capability to address questions about the portfolio and options. This item provides funds for a half-time information officer to respond to requests by any member of the public about the portfolio, and to specifically respond to teachers' questions about the SIB option. One-time funding of \$4,000 is provided in the first fiscal year for equipment. (State Investment Board Expense Account)

3. Investment Accountability - This item provides additional staff authority for an internal auditor and a contract for a fiduciary counsel to serve the Board and its staff on matters of due diligence, compliance with internal accounting procedures and operating manuals, trustee responsibilities, and other matters. In addition, funding is provided for on-site investment activities, such as site visits to real estate holdings, attending Advisory Board annual meetings where SIB plays an active partnership role, and meeting with major brokerage firms. Funding for this item results in an anticipated \$3.3 million in avoided litigation costs; \$3.4 million additional investment earnings on externally managed funds; and \$24,000 in avoided costs due to fewer hours for the State Auditor to conduct its audit of the SIB than anticipated in the 1997-99 Biennium. One-time funding of \$5,000 is provided in the first fiscal year for equipment. (State Investment Board Expense Account)

4. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

1997-99 Budget
Department of Revenue
(Dollars in Thousands)

Wednesday, Apr. 16, 1997
11:20 am

	GF-S	Conference Total
1995-97 Estimated Expenditures	130,024	138,320
1997-99 Maintenance Level (ERL)	132,924	141,350
Policy Changes:		
1. Taxpayer Telephone Services	221	221
2. Property Tax Valuation Schedules	73	73
3. State Toxics Revenue Shortfall	0	-2
4. Pollution Liability Funding	0	-244
5. Administrative Efficiencies	-475	-475
6. Selective Program Reductions	-532	-532
7. General Inflation	-851	-925
8. Transfer Tobacco Enforcement to LCB	-60	-60
9. Sr. Citizens Property Tax	-947	-947
Total Policy Changes	-2,571	-2,891
Total 1997-99 Biennium	130,353	138,459
Difference from 1995-97	329	139
% Change from 1995-97	0.3%	0.1%

Comments:

1. Taxpayer Telephone Services - Funding is provided for three additional staff. The Department's Telephone Information Center (TIC) provides telephone assistance to Washington taxpayers nationwide. Because of the growth in the number of taxpayers and the complexity of the tax codes, calls to the Department have increased substantially. With the additional three staff, the agency estimates that on average, callers will receive assistance after seven and one-half minutes v. an approximate 22 minutes which exists now.

2. Property Tax Valuation Schedules - Funding is provided to support a half-time staff person to update the Department's property tax valuation schedules. Approximately \$17 billion of personal property is assessed annually, yielding \$230 million of property tax revenue. This property is assessed using valuation schedules developed by the Department. The schedules are based on market studies that reflect trends and depreciation for approximately 180 different personal property types. The schedules are used by the Department's auditors and the county auditors in adding taxpayers. The agency has not done a comprehensive update of the schedules in several years.

3. State Toxics Revenue Shortfall - A reduction in the funding level from the State Toxics Control Account is necessary due to declining revenues. (State Toxics Control Account)

4. Pollution Liability Funding - The agency does not anticipate collecting the petroleum tax that supports the Pollution Liability Account during the 1997-99 Biennium. If the tax is reinstated during the biennium the agency would request a supplemental budget to cover the administrative costs of collecting this tax. (Pollution Liability Insurance Program Trust Account)

5. Administrative Efficiencies - Through job redesign and service quality efforts, the agency will realize savings in postage, printing, computer processing, and administrative staff costs.

1997-99 Budget
Department of Revenue

6. Selective Program Reductions - Service level reductions having no adverse revenue impacts are taken in the agency's taxpayer appeals, taxpayer services, computer support, internal audit, research, and rules writing functions.

7. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

8. Transfer Tobacco Enforcement to LCB - This item provides funding for the implementation of ESHB 2272. The legislation transfers cigarette tax enforcement from the Department of Revenue to the Liquor Control Board. The Governor's budget does not include this item.

9. Sr. Citizens Property Tax - Due to a lower forecast in the senior Citizens property tax deferral program, funding is decreased from \$4,197,000 to \$3,250,000.

1997-99 Budget
Board of Tax Appeals
(Dollars in Thousands)

Wednesday, Apr. 16, 1997
11:20 am

	GF-S	Conference	Total
1995-97 Estimated Expenditures	2,034		2,034
1997-99 Maintenance Level (ERL)	2,043		2,043
Policy Changes:			
1. Tax Referee Position Savings	-260		-260
2. General Inflation	-9		-9
Total Policy Changes	-269		-269
Total 1997-99 Biennium	1,774		1,774
Difference from 1995-97	-260		-260
% Change from 1995-97	-12.8%		-12.8%

Comments:

1. Tax Referee Position Savings - Funding is provided to restore a second in-house Tax Referee position to handle complex appeals. Due to reduced costs of contracting out, savings are returned to General Fund-State.

2. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

1997-99 Budget
Municipal Research Council
(Dollars in Thousands)

Wednesday, Apr. 16, 1997
11:20 am

	GF-S	Conference	Total
1995-97 Estimated Expenditures	3,230		3,230
1997-99 Maintenance Level (ERL)	3,394		3,394
Policy Changes:			
1. County Research Services - SSB 5521	0		625
Total Policy Changes	0		625
Total 1997-99 Biennium	3,394		4,019
Difference from 1995-97	164		789
% Change from 1995-97	5.1%		24.4%

Comments:

1. County Research Services - SSB 5521 - Substitute Senate Bill 5521 expands the duties of the Municipal Research Council to include research services for county governments, funded by a deduction from the counties' share of liquor excise tax distributions. (County Research Services Account)

1997-99 Budget
Minority & Women's Business Enterp
(Dollars in Thousands)

Wednesday, Apr. 16, 1997
11:20 am

	GF-S	Conference	Total
1995-97 Estimated Expenditures	0		2,226
1997-99 Maintenance Level (ERL)	0		2,365
Policy Changes:			
1. Staff Training & Education	0		2
2. General Inflation	0		-10
Total Policy Changes	0		-8
Total 1997-99 Biennium	0		2,357
Difference from 1995-97	0		131
% Change from 1995-97	0.0%		5.9%

Comments:

1. Staff Training & Education - This funding provides for training to enhance the expertise of Office staff in certifying businesses to participate in government contracting programs. (Minority and Women's Business Enterprises Account)

2. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

1997-99 Budget
Dept of General Administration
(Dollars in Thousands)

Wednesday, Apr. 16, 1997
11:20 am

	GF-S	Conference Total
1995-97 Estimated Expenditures	3,082	111,376
1997-99 Maintenance Level (ERL)	592	115,752
Policy Changes:		
1. Commute Trip Reduction Funding	0	278
2. Risk Management Workload	0	233
3. Maintain State Food Purchases	2,000	2,000
4. Air Pollution Control Shortfall	0	-7
5. Americans with Disabilities Act	-30	-30
6. Campus Security/Maintenance	0	-213
7. General Inflation	-7	-1,892
8. World War II Memorial	25	25
Total Policy Changes	1,988	394
Total 1997-99 Biennium	2,580	116,146
Difference from 1995-97	-502	4,770
% Change from 1995-97	-16.3%	4.3%

Comments:

1. Commute Trip Reduction Funding - Funding from the Air Pollution Control Account is transferred from the Department of Transportation to the Department of General Administration where the program is administered. A corresponding reduction is found in the Department of Transportation budget. (Air Pollution Control Account)

2. Risk Management Workload - Funding is provided for a Tort Claim Investigator to ensure that meritorious claims are promptly investigated and settled. Prompt investigation and settlement of tort claims will reduce state liability. (Risk Management Account)

3. Maintain State Food Purchases - Funding is provided to allow the Department to purchase bulk food commodities for distribution to the state's food assistance network. This additional food is needed to offset the federal reductions to the Food Stamp Program and The Emergency Food Assistance Program (TEFAP), a federal program that provides bulk food for the state's food banks. (General Fund-State)

4. Air Pollution Control Shortfall - A reduction in the funding levels from the Air Pollution Control Account is necessary due to declining revenues. (Air Pollution Control Account)

5. Americans with Disabilities Act - Through collaborate efforts with other state agencies, the Department has identified ways to provide the services required by the Americans with Disabilities Act with reduced funding.

6. Campus Security/Maintenance - Reliance on existing surveillance cameras will eliminate the need for one campus security guard. Grounds maintenance for the east capital campus is reduced. Funds supporting the Thurston County Regional Planning Council are eliminated. (Department of General Administration Facilities and Services Revolving Account)

7. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

8. World War II Memorial - Funding is provided for tasks associated with the construction of the World War II Memorial. (General Fund-state)

1997-99 Budget
Department of Information Services
(Dollars in Thousands)

Wednesday, Apr. 16, 1997
11:20 am

	GF-S	Conference Total
1995-97 Estimated Expenditures	27,000	234,510
1997-99 Maintenance Level (ERL)	0	181,969
Policy Changes:		
1. General Inflation	0	-1,164
2. Washington Educational Network	0	44,028
Total Policy Changes	0	42,864
Total 1997-99 Biennium	0	224,833
Difference from 1995-97	-27,000	-9,677
% Change from 1995-97	-100.0%	-4.1%

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

2. Washington Educational Network - Funding provided in the 1996 and 1997 Supplemental Budgets for the development of a statewide educational telecommunications network will not be entirely spent by June 30, 1997. Remaining funding is carried over and available for appropriation and expenditure in the 1997-99 biennium. (K-20 Technology Account-State)

1997-99 Budget
Office of Insurance Commissioner
(Dollars in Thousands)

Wednesday, Apr. 16, 1997
11:20 am

	GF-S	Conference Total
1995-97 Estimated Expenditures	0	20,828
1997-99 Maintenance Level (ERL)	0	21,498
Policy Changes:		
1. Washington Information Network	0	213
2. Information Systems	0	148
3. Microfilming Enhancement	0	150
4. General Inflation	0	-99
5. Information Technology Efficiencies	0	-155
6. License Suspension	0	88
7. Increased Filing Workload	0	150
8. Insurance Company Investments	0	12
9. Prudential Consent Order	0	532
Total Policy Changes	0	1,039
Total 1997-99 Biennium	0	22,537
Difference from 1995-97	0	1,709
% Change from 1995-97	0.0%	8.2%

Comments:

1. Washington Information Network - The Office participates in the Washington Information Network (WIN) kiosks that provide state government services and information to the public. Currently, the Office has an automobile insurance information program on WIN and proposes to add similar programs for home, life, and property insurance. Funding is provided for programming enhancements. (Insurance Commissioner's Regulatory Account)

2. Information Systems - Funding is provided for enhancements to the Office's Local Area Network (LAN) and for replacing personal computers for Rates and Contracts analysts. These enhancements and replacements, together with the document imaging equipment also requested, will allow the Office to immediately implement efficiencies to improve the percentage of proposed rates and contracts that can be reviewed within the statutorily mandated 30 days. Within the biennium, these enhancements will also be necessary for the State Electronic Rate and Form Filing (SERFF) and Producer Information Network (PIN) projects that are being implemented by a consortium of the industry and state insurance regulators. SERFF will allow rates and contracts to be filed and approved electronically, with electronic correspondence between Office staff and firms, thus expediting the review process. PIN will allow regulators and the industry to share information about licensed insurance agents. (Insurance Commissioner's Regulatory Account)

3. Microfilming Enhancement - The Office currently possesses microfilming equipment which is used to copy all rates and contracts filed by the industry for the Commissioner's review. Funding is provided for a document imaging scanner attachment that would create an electronic copy of the rates and contracts at the same time that the microfilm copy is produced. With the scanning capability, the Office can convert its paper-based reviewing process to a more efficient electronic one. The scanner is also necessary for the Office's related request for equipment for electronic filing and correspondence with firms. (Insurance Commissioner's Regulatory Account)

4. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

5. Information Technology Efficiencies - The implementation of the State Electronic Rate and Form Filing and the Producer Information Network projects will result in staff savings beginning in Fiscal Year 1999. These two projects will automate current staff intensive functions and provide more timely services. (Insurance Commissioner's Regulatory Account)

1997-99 Budget
Office of Insurance Commissioner

6. License Suspension - The welfare reform program enacted in EHB 3901 provides for holding, suspending, or restricting the use of driver's, professional, occupational, and recreational licenses under specific circumstances in which child support is not paid. Funding is included for the additional workload associated with license suspension by the Office of Insurance Commissioner. (Insurance Commissioner's Regulatory Account)

7. Increased Filing Workload - Provides funding for additional workload in health insurance rate filings to meet the provisions of SHB 1387 (health plan rate filings). (Insurance Commissioner's Regulatory Account)

8. Insurance Company Investments - Funds are provided for staff training needed to regulate insurance companies engaged in derivative investment transactions pursuant to SHB 2097 (insurance company investments). (Insurance Commissioner's Regulatory Account)

9. Prudential Consent Order - Appropriation authority is provided for funds received under a consent order with the Prudential Insurance Company for improper sales practices. The funds may be expended only for implementing the Prudential remediation process and for examinations of the Prudential Company. (Insurance Commissioner's Regulatory Account)

Funds staff training needed to regulate insurance companies engaged in derivative investment transactions pursuant to SHB 2097 (insurance company investments). (Insurance Commissioner's Regulatory Account)

1997-99 Budget
State Board of Accountancy
(Dollars in Thousands)

Wednesday, Apr. 16, 1997
11:20 am

	GF-S	Conference	Total
1995-97 Estimated Expenditures	0		1,312
1997-99 Maintenance Level (ERL)	0		1,239
Policy Changes:			
1. CPA Exam Adjustments	0		-306
2. General Inflation	0		-17
3. Compensation Change	0		40
4. License Suspension #	0		22
Total Policy Changes	0		-261
Total 1997-99 Biennium	0		978
Difference from 1995-97	0		-334
% Change from 1995-97	0.0%		-25.5%

Comments:

1. CPA Exam Adjustments - Contracting out the Certified Public Accountant (CPA) examination removes both examination fee revenues and expenditures from the operating budget. (Certified Public Accountants' Account)

2. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

3. Compensation Change - Funds are provided for three staff reclassified to Washington Management Service positions. (Certified Public Accountants' Account)

4. License Suspension # - This item includes funding for the additional workload associated with the license suspension provision of Engrossed House Bill 3901. (Certified Public Accountants' Account)

1997-99 Budget
Forensic Investigation Council
(Dollars in Thousands)

Wednesday, Apr. 16, 1997
11:20 am

	GF-S	Conference	Total
1995-97 Estimated Expenditures	0		12
1997-99 Maintenance Level (ERL)	0		12
Total 1997-99 Biennium	0		12
Difference from 1995-97	0		0
% Change from 1995-97	0.0%		0.0%

Comments:

1997-99 Budget
Washington Horse Racing Commission
(Dollars in Thousands)

Wednesday, Apr. 16, 1997
11:20 am

	GF-S	Conference	Total
1995-97 Estimated Expenditures	0		4,844
1997-99 Maintenance Level (ERL)	0		4,882
Policy Changes:			
1. General Inflation	0		-54
Total Policy Changes	0		-54
Total 1997-99 Biennium	0		4,828
Difference from 1995-97	0		-16
% Change from 1995-97	0.0%		-0.3%

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

1997-99 Budget
WA State Liquor Control Board
(Dollars in Thousands)

Wednesday, Apr. 16, 1997
11:20 am

	GF-S	Conference Total
1995-97 Estimated Expenditures	0	116,236
1997-99 Maintenance Level (ERL)	0	128,650
Policy Changes:		
1. License Suspension #	0	154
2. Information Technology Upgrade	0	1,250
3. Safety Officer	0	73
4. Point of Sale Checkstands	0	532
5. General Inflation	0	-278
6. Olympia Headquarters Relocation	0	470
7. Cigarette Tax Enforcement #	2,845	2,845
8. Credit Cards in Liquor Stores #	0	459
Total Policy Changes	2,845	5,505
Total 1997-99 Biennium	2,845	134,155
Difference from 1995-97	2,845	17,919
% Change from 1995-97	0.0%	15.4%

Comments:

1. License Suspension # - The Personal Responsibility and Work Opportunity Act of 1996 (federal welfare legislation) requires states to have laws providing for holding, suspending, or restricting the use of driver's, professional, occupational, and recreational licenses under specific circumstances in which child support is not paid. This item provides funding for the additional workload associated with the license suspensions. (Liquor Revolving Fund)

2. Information Technology Upgrade - Funding is provided for upgrading the agency's information technology capabilities. Funding for this item is contingent upon compliance with the provisions stated in Section 902 of the 97-99 operating budget bill. (Liquor Revolving Fund)

3. Safety Officer - Funding is provided for a position to better manage open claims, increase site inspections and provide safety training. (Liquor Revolving Fund)

4. Point of Sale Checkstands - A new point-of-sale (POS) system was installed in stores in the 1995-97 Biennium. Funding is provided in the 1997-99 Biennium to purchase ergonomically designed checkstands that will prevent carpal tunnel and rotator cuff injuries. This will complete the implementation of the POS system in liquor stores throughout the state. (Liquor Revolving Fund)

5. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

6. Olympia Headquarters Relocation - Funding is provided to co-locate Liquor Control Board staff in Thurston County. One-time moving costs of \$200,000 are included in Fiscal Year 1998. (Liquor Revolving Fund)

7. Cigarette Tax Enforcement # - This item provides funding for the implementation of HB 2272 or SB 6084. The legislation transfers cigarette tax enforcement from the Department of Revenue to the Liquor Control Board. (Liquor Revolving Fund)

8. Credit Cards in Liquor Stores # - This item provides funding for costs associated with allowing credit cards in state liquor stores pursuant to SB 5664. (Liquor Revolving Fund)

1997-99 Budget
Utilities and Transportation Comm
(Dollars in Thousands)

Wednesday, Apr. 16, 1997
11:20 am

	GF-S	Conference	Total
1995-97 Estimated Expenditures	0		26,670
1997-99 Maintenance Level (ERL)	0		24,754
Policy Changes:			
1. General Inflation	0		-149
Total Policy Changes	0		-149
Total 1997-99 Biennium	0		24,605
Difference from 1995-97	0		-2,065
% Change from 1995-97	0.0%		-7.7%

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

1997-99 Budget
Board for Volunteer Firefighters
(Dollars in Thousands)

Wednesday, Apr. 16, 1997
11:20 am

	GF-S	Conference	Total
1995-97 Estimated Expenditures	0		453
1997-99 Maintenance Level (ERL)	0		530
Policy Changes:			
1. General Inflation	0		-1
Total Policy Changes	0		-1
Total 1997-99 Biennium	0		529
Difference from 1995-97	0		76
% Change from 1995-97	0.0%		16.8%

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

1997-99 Budget
Military Department
(Dollars in Thousands)

Wednesday, Apr. 16, 1997
11:20 am

	GF-S	Conference Total
1995-97 Estimated Expenditures	15,542	195,253
1997-99 Maintenance Level (ERL)	16,210	133,809
Policy Changes:		
1. February Flood Local Match #	0	5,418
2. November 1996 Ice Storm #	0	5,688
3. December 1996 Holiday Storms #	0	44,739
4. Satellite Maintenance Contracts	-400	-400
5. Comprehensive Plan/Duty Officers	648	648
6. Administrative Efficiencies	-443	-886
7. General Inflation	-110	-437
8. Facilities Maintenance	200	200
9. Spring 97 Flood	0	1,859
10. Conditional Scholarship	200	200
11. Disaster Recovery Appropriation #	3,581	12,778
Total Policy Changes	3,676	69,807
Total 1997-99 Biennium	19,886	203,616
Difference from 1995-97	4,344	8,363
% Change from 1995-97	28.0%	4.3%

Comments:

1. February Flood Local Match # - In the 1996 Supplemental Budget, the Legislature appropriated state funds to provide the match necessary for local governments to be eligible for Federal Emergency Management Agency funds for the February 1996 floods. Additional funds are provided to continue this event-specific decision to provide local governments extra financial assistance because of the enormous costs involved. A new account is being created to facilitate payment of disaster related expenses. (Disaster Response Account-State)

2. November 1996 Ice Storm # - Funds are provided to cover the damages sustained by Spokane, Pend Oreille, and Klickitat counties from the November 1996 Ice Storm. The agency anticipates completion of all repair/replacement projects associated with this natural disaster during this biennium. (Disaster Response Account-State, Disaster Response Account-Federal)

3. December 1996 Holiday Storms # - Funds are provided for costs associated with the December 1996 Holiday Storms. Agency staff will evaluate and process the Federal Emergency Management Agency eligible claims of 18 state agencies and 38 counties. (Disaster Response Account-State, Disaster Response Account-Federal)

4. Satellite Maintenance Contracts - Local governments were unable to provide the local match required for the Military Department to purchase the emergency satellite communications system that was funded in the 1995-97 Biennium. Consequently, funding for the maintenance contracts for the communications system is eliminated.

5. Comprehensive Plan/Duty Officers - In the 1995-97 biennium, one time federal funds were used to fund four duty officers that provide 24 hour coverage for immediate emergency response. This item provides on-going General Fund-State funding for this activity.

6. Administrative Efficiencies - The agency will reduce expenditures for goods and services and eliminate two support positions. (General Fund-State, General Fund-Federal)

**1997-99 Budget
Military Department**

Wednesday, Apr. 16, 1997
11:20 am

7. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

8. Facilities Maintenance - Funding is provided for maintenance and repair of armories.

9. Spring 97 Flood - Funding is provided for costs associated with the March 1997 Spring floods. (Disaster Response Account-State, Disaster Response Account-Federal)

10. Conditional Scholarship - This item provides funding for the Military Department to provide educational scholarships to enlisted soldiers and officers below the rank of captain.

11. Disaster Recovery Appropriation # - \$3.6 million in General Fund-State, \$6.2 million in General Fund-Federal and \$3 million Flood Control Assistance Account is appropriated to the Disaster Response Account for distribution for disaster recovery activities. When combined with the \$10.9 million in General-Fund State that was appropriated into the Disaster Response Account in the 1997 Senate Supplemental Operating budget, the total will fund the expected disaster recovery activities during the 1997-99 biennium. (General Fund-State, General Fund-Federal, Flood Control Assistance Account-State, and Disaster Response-State)

1997-99 Budget
Public Employment Relations Comm
(Dollars in Thousands)

Wednesday, Apr. 16, 1997
11:20 am

	GF-S	Conference	Total
1995-97 Estimated Expenditures	3,417		3,417
1997-99 Maintenance Level (ERL)	3,480		3,480
Policy Changes:			
1. Telecommunication Savings	-10		-10
2. Interest Arbitration (ESHB 1730)	86		86
3. General Inflation	-24		-24
Total Policy Changes	52		52
Total 1997-99 Biennium	3,532		3,532
Difference from 1995-97	115		115
% Change from 1995-97	3.4%		3.4%

Comments:

1. Telecommunication Savings - Funding is adjusted to reflect telecommunication cost savings estimated by the Department of Information Services.

2. Interest Arbitration (ESHB 1730) - Funds are provided to handle increased workload. ESHB 1730 extends interest arbitration to include law enforcement officers in a city or town with 2,500 or more residents and in a county with 10,000 or more residents. This legislation will increase PERC case load by an average of 60 cases per biennium.

ESHB 1730 was passed in the 1995 session and will be implemented 7/1/97 (RCW 41.56.030). Police Officers in 68 additional jurisdictions will become eligible for interest arbitration on 7/1/97.

3. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

1997-99 Budget
Growth Management Hearings Board
(Dollars in Thousands)

Wednesday, Apr. 16, 1997
11:20 am

	GF-S	Conference	Total
1995-97 Estimated Expenditures	2,740		2,740
1997-99 Maintenance Level (ERL)	2,788		2,788
Policy Changes:			
1. General Inflation	-19		-19
2. Administrative Savings	-270		-270
Total Policy Changes	-289		-289
Total 1997-99 Biennium	2,499		2,499
Difference from 1995-97	-241		-241
% Change from 1995-97	-8.8%		-8.8%

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

2. Administrative Savings - Through administrative efficiencies, funding is reduced for the 1997-99 biennium.

1997-99 Budget
State Convention and Trade Center
(Dollars in Thousands)

Wednesday, Apr. 16, 1997
11:20 am

	GF-S	Conference Total
1995-97 Estimated Expenditures	0	25,606
1997-99 Maintenance Level (ERL)	0	25,556
Policy Changes:		
1. Cost of Living Adjustments	0	244
2. Facility Maintenance & Improvements	0	575
3. Increased Business and Contingency	0	800
Total Policy Changes	0	1,619
Total 1997-99 Biennium	0	27,175
Difference from 1995-97	0	1,569
% Change from 1995-97	0.0%	6.1%

Comments:

1. Cost of Living Adjustments - Funding is provided for a 3 percent salary increase effective July 1, 1997 for personnel employed by the State Convention and Trade Center. (State Convention and Trade Center Operations Account)

2. Facility Maintenance & Improvements - Funds are provided for replacement of carpeting and wall coverings. The funds will also allow the Convention Center to connect its existing parking garage to the Freeway Park garage, which has been acquired from the City of Seattle. (State Convention and Trade Center Operations Account)

3. Increased Business and Contingency - The Convention Center anticipates increased staffing and operating costs resulting from higher levels of convention business using the facility. In addition, the funding would be used on a contingency basis to supplement existing equipment budgets and replace high priority items as needed. (State Convention and Trade Center Operations Account)

1997-99 Budget
Caseload Forecast Council
(Dollars in Thousands)

Wednesday, Apr. 16, 1997
11:20 am

	GF-S	Conference	Total
1995-97 Estimated Expenditures	0		0
1997-99 Maintenance Level (ERL)	0		0
Policy Changes:			
1. Establish Agency	879		879
Total Policy Changes	879		879
Total 1997-99 Biennium	879		879
Difference from 1995-97	879		879
% Change from 1995-97	0.0%		0.0%

Comments:

1. Establish Agency - SSB 5472 establishes a caseload forecast council. The caseload forecast supervisor shall prepare forecasts of the number of persons expected to meet entitlement requirements for specific state funded services.

1997-99 Budget
WA State Health Care Authority
(Dollars in Thousands)

Wednesday, Apr. 16, 1997
11:20 am

	GF-S	Conference Total
1995-97 Estimated Expenditures	6,819	355,583
1997-99 Maintenance Level (ERL)	7,070	543,138
Policy Changes:		
1. PEBB Customer Service	0	807
2. Reduce Promotions and Commissions	0	-1,008
3. Restructure Subsidized BHP	0	-8,423
4. General Inflation	-251	-1,189
5. Financial Sponsorship Fees	0	-9,600
6. Health Care Savings Accounts	0	150
7. Balance Health Services Account	5,814	0
Total Policy Changes	5,563	-19,263
Total 1997-99 Biennium	12,633	523,875
Difference from 1995-97	5,814	168,292
% Change from 1995-97	85.3%	47.3%

Comments:

1. PEBB Customer Service - Additional Public Employees Benefits Board (PEBB) funding is included for increased workload in benefit services support, accounting support, appeals, and for rebidding the Uniform Medical Plan third-party administrator contract. This increase is necessary due to additional customers (e.g., 15,000 additional K-12 retirees) and increased workload as a result of changes in the provision of state employee benefits implemented in the 1995-97 Biennium. (State Health Care Authority Administrative Account)

2. Reduce Promotions and Commissions - Because subsidized Basic Health Plan enrollment has reached its budgeted capacity of 130,000, and there are an estimated 70,000 people waiting to enroll, this step eliminates funds included in the base-level budget for commissions to insurance brokers and for marketing. The legislative adjustment is lower than proposed by the Governor because it recognizes that some broker commissions will need to be paid out in 1997-99 for persons who were placed on waiting lists prior to the effective date of legislation eliminating the broker commissions program. (Other Funds: Health Services Account)

3. Restructure Subsidized BHP - Both the Governor's and the legislative budget anticipate the following changes to the Basic Health Plan: (1) minimum premium payments are increased from \$10 to \$12 per month for adults with incomes between 66 - 100 percent of the federal poverty level, and from \$10 to \$15 for those with incomes between 100 - 125 percent of the poverty level; (2) patient co-pays are increased (a) from \$8 to \$10 for office visits; (b) from \$50 to \$100 per admission for hospitalizations; (c) from \$25 to \$50 per visit for emergency room use; (d) from \$25 to \$50 per transport for ambulance use; and (e) from \$8 to \$25 for outpatient clinic visits. The Health Care Authority is authorized to modify the package in ways different than or in addition to this which it determines would better promote enrollee health and access to care, while maintaining enrollment levels within budgeted funds. (Other Funds: Health Services Account-State; Basic Health Plan Trust Account-Nonappropriated)

4. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

5. Financial Sponsorship Fees - Health plans, hospitals, clinics, and any other group paid to deliver BHP services will be required to pay a minimum of \$45 per month to sponsor BHP enrollment for individuals qualifying for state subsidy. The state will continue to subsidize the remaining 60-70% of the enrollees' insurance premium. (Other Funds: Health Services Account)

1997-99 Budget
WA State Health Care Authority

Wednesday, Apr. 16, 1997
11:20 am

6. Health Care Savings Accounts - This item provides funding to cover start-up costs associated with the development of a medical savings account option for enrollees in the non-subsidized Basic Health Plan. As required by SHB 1805, the medical savings account option is to be available to enrollees in the non-subsidized program by October 1998. After this initial start-up, all costs associated with the pilot are to be covered by enrollee premiums. (Other Funds: Health Services Account)

7. Balance Health Services Account - In order to maintain current Basic Health Plan enrollment and services to the maximum extent possible within available revenues, state general funds are provided to replace the Health Services Account revenues which would otherwise be used for the grants to community clinics program. (Other Funds: Health Services Account)

*** Increase Managed Competition** - Both the Governor's and the legislative budget anticipate that Health Services Account expenditures will be reduced by at least \$20 million by basing the state BHP subsidy on the premium charged by the lowest cost plan readily available to the large majority of enrollees, rather than on the premium of the highest-priced plan as is currently the case. This will reduce state costs by giving health plans additional incentives to limit premium increases, and by shifting the extra cost for enrollees who choose a higher cost plan from the state to the enrollee. Because the reduction in Health Services Account expenditures is offset by a corresponding increase in enrollee premium payments, the total dollar impact of this change nets to zero. (Other Funds: Health Services Account, BHP Trust Non-Appropriated Account)

*** BHP Subsidy Scale** - The legislative budget assumes a reduction in BHP subsidy costs equivalent to what would be achieved by reducing the state subsidy for persons between 125-200% of poverty by an average of about 30%. This would return the percentage of premium costs subsidized by the state to the 1993-95 level, prior to the substantial increase which was made in the state subsidy in 1996. The legislative budget also anticipates that the maximum family premium will be capped at three times the individual premium share, rather than twice the individual premium as is currently done. The Health Care Authority is authorized to modify the subsidy scale in ways different than or in addition to this which it determines would better promote enrollee health and access to care, while maintaining current enrollment levels within budgeted funds. Because the reduction in Health Services Account expenditures is offset by a corresponding increase in enrollee premium payments, the total dollar impact of this change nets to zero. (Other Funds: Health Services Account, BHP Trust Account Non-Appropriated)

1997-99 Budget
Human Rights Commission
(Dollars in Thousands)

Wednesday, Apr. 16, 1997
11:20 am

	GF-S	Conference	Total
1995-97 Estimated Expenditures	4,044		5,839
1997-99 Maintenance Level (ERL)	4,075		5,793
Policy Changes:			
1. General Inflation	-20		-35
Total Policy Changes	-20		-35
Total 1997-99 Biennium	4,055		5,758
Difference from 1995-97	11		-81
% Change from 1995-97	0.3%		-1.4%

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

1997-99 Budget
Bd of Industrial Insurance Appeals
(Dollars in Thousands)

Wednesday, Apr. 16, 1997
11:20 am

	GF-S	Conference Total
1995-97 Estimated Expenditures	0	20,313
1997-99 Maintenance Level (ERL)	0	20,400
Policy Changes:		
1. Relational Database System	0	83
2. Workload Increase	0	1,141
3. New Appeal Specialists	0	184
4. General Inflation	0	-216
Total Policy Changes	0	1,192
Total 1997-99 Biennium	0	21,592
Difference from 1995-97	0	1,279
% Change from 1995-97	0.0%	6.3%

Comments:

1. Relational Database System - Funding is provided for consultation services and purchase of a new platform and upgraded file servers for the Board to migrate to the Relational Database Management System and file server environment. (Accident and Medical Aid Accounts)

2. Workload Increase - Funding is provided for additional staff to accommodate a six percent annual workload increase in appeals. Additional space is also funded to accommodate the increased staff in Seattle and Spokane. (Accident and Medical Aid Accounts-State)

3. New Appeal Specialists - Funding is provided for two new appeal specialists that will relieve judges from some administrative duties, thereby freeing up the judges' time to be used in dispute resolution. (Accident and Medical Aid Accounts)

4. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

1997-99 Budget
Criminal Justice Training Comm
(Dollars in Thousands)

Wednesday, Apr. 16, 1997
11:20 am

	GF-S	Conference Total
1995-97 Estimated Expenditures	0	11,524
1997-99 Maintenance Level (ERL)	0	13,708
Policy Changes:		
1. Domestic Violence Initiative	0	100
2. Vendor Rate Increase	0	32
3. General Inflation	0	-184
4. Law Enf. Supervision Training	0	92
5. Study Expanded Training & Funding	0	130
6. Law Enf Training Legislation	0	40
Total Policy Changes	0	210
Total 1997-99 Biennium	0	13,918
Difference from 1995-97	0	2,394
% Change from 1995-97	0.0%	20.8%

Comments:

1. Domestic Violence Initiative - Federal funding is expected to become available to provide for increased domestic violence training and reporting. (General Fund-Federal)

2. Vendor Rate Increase - Funding is provided for a 3.0 percent cost-of-living increase on July 1, 1997 for Washington Association of Sheriffs and Police Chiefs (WASPC) staff who are funded through the Commission, but who are not Commission employees. (Public Safety and Education Account- State)

3. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

4. Law Enf. Supervision Training - Provides funding for 315 police officers to attend supervisory and management training. Under current law, attendance at the course is not mandatory but is encouraged. (Public Safety & Education Account - State)

5. Study Expanded Training & Funding - Funding is provided for an expanded study of law enforcement training. In addition to continuing the work begun in 1996, the study will also produce a comprehensive list of courses offered, the actual cost of offering each type of class, and what fees, if any, should be charged. Finally, the study will focus on training needs of the corrections system. (Public Safety & Education Account - State)

6. Law Enf Training Legislation - Funding is provided to implement SHB 1423 (criminal justice training commission). This legislation would require: 1) the presentation of annual class on child abuse and neglect investigation; 2) supervisors and managers in law enforcement to attend mandatory training. Funding for the first item is provided here while the second provision is funded as a separate item. If this bill is not enacted by July 1, 1997, this funding lapses. (Public Safety and Education Account - State)

1997-99 Budget
Department of Labor and Industries
(Dollars in Thousands)

Wednesday, Apr. 16, 1997
11:20 am

	GF-S	Conference Total
1995-97 Estimated Expenditures	11,327	374,611
1997-99 Maintenance Level (ERL)	13,564	377,754
Policy Changes:		
1. Claims Service Delivery	0	1,950
2. Contractor Service Improvement	50	700
3. Injury & Disability Prevention	0	1,125
4. Legal Services Support	0	630
5. License Suspension #	78	156
6. General Inflation	-39	-1,943
Total Policy Changes	89	2,618
Total 1997-99 Biennium	13,653	380,372
Difference from 1995-97	2,326	5,761
% Change from 1995-97	20.5%	1.5%

Comments:

1. Claims Service Delivery - The department is moving toward a new claims management model. This item provides funding to complete the technology portion of the request. Funds are included for detailed planning, design, development, piloting and deployment of technology applications. The department should implement all possible internal measures regarding staffing re-deployment. (Accident and Medical Aid Accounts-State)

2. Contractor Service Improvement - This item funds a feasibility study and general design of an Electrical Permitting and Inspection System and a Credentialing Information System. (General Fund-State, Electrical License Account-State, Accident and Medical Aid Accounts-State)

3. Injury & Disability Prevention - Funding is provided for the following items:

(1) Occupationally Focused Health Care Systems: Funding is provided for consulting services to assist the agency in developing alternative delivery system models that respond to the University of Washington's managed care pilot evaluation findings.

(2) Effectiveness of Medical Reimbursement Programs: Funding is provided for consulting services to develop and maintain a comprehensive, responsive, structured, data driven reimbursement analysis approach. The analyses would focus on the Professional Fee Schedule, Hospital Inpatient Prospective Payment System, Pharmacy Fee Schedule, Medical and Surgical Supplies, and the Department of Labor and Industries' Unique Coding Systems. (Accident and Medical Aid Accounts-State)

4. Legal Services Support - One paralegal is provided due to an industrial insurance litigation increase as requested by the Board of Industrial Insurance Appeals. Also included in this item is the funding for two Assistant Attorneys General at the Attorney General's Office which will be paid through the legal services revolving account. (Accident and Medical Aid Accounts-State)

5. License Suspension # - This item includes funding for the additional workload associated with the license suspension provision in Engrossed House Bill 3901. (General Fund-State, Plumbing Certificate Account-State, Electrical License Account-State)

6. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

1997-99 Budget
Indeterminate Sentence Review Board
(Dollars in Thousands)

Wednesday, Apr. 16, 1997
11:20 am

	GF-S	Conference	Total
1995-97 Estimated Expenditures	2,339		2,339
1997-99 Maintenance Level (ERL)	1,141		1,141
Policy Changes:			
1. Agency Reauthorization #	936		936
2. General Inflation	-16		-16
Total Policy Changes	920		920
Total 1997-99 Biennium	2,061		2,061
Difference from 1995-97	-278		-278
% Change from 1995-97	-11.9%		-11.9%

Comments:

1. Agency Reauthorization # - HB 1646 (indeterminate sentence review board) reauthorizes the Board for an additional ten years. This legislation also includes provisions for part-time board members resulting in some budget savings.

2. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

1997-99 Budget
WA Health Care Policy Board
(Dollars in Thousands)

Wednesday, Apr. 16, 1997
11:20 am

	GF-S	Conference Total
1995-97 Estimated Expenditures	0	4,449
1997-99 Maintenance Level (ERL)	0	4,412
Policy Changes:		
1. Eliminate Board #	0	-4,387
2. General Inflation	0	-25
Total Policy Changes	0	-4,412
Total 1997-99 Biennium	0	0
Difference from 1995-97	0	-4,449
% Change from 1995-97	0.0%	-100.0%

Comments:

- 1. Eliminate Board #** - The legislative budget eliminates funding for the Health Care Policy Board effective July 1, 1997.
- 2. General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

1997-99 Budget
Department of Health
(Dollars in Thousands)

Wednesday, Apr. 16, 1997
11:20 am

	GF-S	Conference Total
1995-97 Estimated Expenditures	90,325	446,645
1997-99 Maintenance Level (ERL)	101,601	480,890
Policy Changes:		
1. Farmworker Housing	141	141
2. Public Water System Supervision	0	1,467
3. Automated System Development	0	2,134
4. Youth Tobacco Prevention	0	400
5. Public Water System Regulation	0	5,385
6. Health Services Account Reduction	0	-9,205
7. Reduce State Toxics Control Account	0	-65
8. License Suspension #	0	259
9. Boarding Home Quality Assurance	406	812
10. EMS Trauma	-220	-220
11. Maternal and Child Health Contracts	-588	-588
12. Environmental Radiation	-508	-508
13. Administrative Reduction	-703	-703
14. Puget Sound Work Plan	730	730
15. General Inflation	-482	-1,891
16. Mandated Health Benefit Review	100	100
17. Dental Services for Children	200	200
18. Abstinence Education	0	700
19. AIDS Prescription Drug Program	-4,039	-4,039
20. Improve Access to Oral Health	300	300
21. Trauma Care Services	0	21,042
22. Poison Center Enhancement	250	250
23. Balance Health Services Account	14,229	0
Total Policy Changes	9,816	16,701
Total 1997-99 Biennium	111,417	497,591
Difference from 1995-97	21,092	50,946
% Change from 1995-97	23.4%	11.4%

Comments:

1. Farmworker Housing - This item funds the cost of an additional licensor/surveyor for temporary worker housing in order to meet the workload as additional housing is developed.

2. Public Water System Supervision - This item includes additional federal funding for the Drinking Water program as a result of the reauthorization of the federal Safe Drinking Water Act. Activities funded are the development of a water data management system and compliance efforts to meet requirements of the federal Safe Drinking Water Act. (General Fund-Federal)

3. Automated System Development - Funding is included for a Health Professions Licensing and Disciplinary Management System to be used primarily for complaint tracking and management. The current system does not meet departmental needs for either complaint tracking or disciplinary functions and the software lease expires July 1998. The new system will be developed and implemented by July 1998 and is expected to avoid future cost increases for these activities. This item will require increases in some fees which fund the Health Professions/Medical Disciplinary Account, but at less than the 601 limit. (Medical Disciplinary Account)

**1997-99 Budget
Department of Health**

4. Youth Tobacco Prevention - Funding is included from the Youth Tobacco Prevention Account for additional activities related to tobacco use prevention, education, and enforcement. Additional revenue is available in this account to fund these activities. Seventy percent of the funds will go to local health jurisdictions for coordinated tobacco intervention strategies to prevent and reduce tobacco use by youth; 30 percent will go to the Liquor Control Board (by interagency agreement) for enforcement of laws relating to access to tobacco by youth. (Youth Tobacco Prevention Account)

5. Public Water System Regulation - This item includes funding for changes due to the passage of the federal Safe Drinking Water Act of 1996, which establishes the State Revolving Fund and other program requirements for the Drinking Water program. (General Fund-Federal)

6. Health Services Account Reduction - In order to bring Health Services Account expenditures into line with forecasted revenues, activities funded by the account are eliminated or reduced.

Activities reduced or eliminated are as follows: health personnel training (\$1.0 million), American Indian Health Care Plan (\$0.2 million), BHP enrollment assistance (\$0.3 million), multicultural assistance (\$0.1 million) and the Health Professions Resource Plan (\$0.6 million). The Health Professions Resource Plan is to be completed within existing funding, Health Quality Data Standards (\$1.6 million), teen pregnancy prevention (\$0.7 million to be supplanted with federal abstinence funding), Information System for Public Health Officials (\$1.6 million to be supplanted through user fees to local health jurisdictions using the system), Children with Special Health Care Needs (\$0.9 million with family support and provider training activities continuing), funding for information kiosks (\$.005 million), PHIP state capacity funding (\$1.0 million), PHIP local capacity funding (\$0.5 million) and pesticide reporting to be combined with similar functions funded from the State Toxics Account (\$0.7 million). (Health Services Account, Public Health Account)

7. Reduce State Toxics Control Account - Expenditures from the State Toxics Control Account are reduced to balance to estimated revenues. (State Toxics Control Account)

8. License Suspension # - The Personal Responsibility and Work Opportunity Act of 1996 (federal welfare legislation) requires states to have laws providing for holding, suspending, or restricting the use of driver's, professional, occupational, and recreational licenses under specific circumstances in which child support is not paid. This item includes funding for the additional workload associated with the license suspension. (General Fund-State, General Fund-Private/Local, Health Professions Account)

9. Boarding Home Quality Assurance - Funding is included to improve the timeliness of response to complaints, increase the number and quality of technical assistance visits, and increase the depth and detail of annual inspections. These activities are funded with General Fund-State and through license fee increases. Fees are recommended to increase by 20 percent on July 1, 1997 (to \$44.82 per bed) and by another 10 percent on July 1, 1998 (to \$49.30 per bed). (General Fund-State, General Fund-Local)

10. EMS Trauma - This item reduces funding to local Emergency Medical Services regions. Funding is used for training technicians, operating trauma prevention programs, planning and developing local emergency medical systems and integrating them into the statewide trauma care system.

11. Maternal and Child Health Contracts - This item is a reduction in MCH activities and will be achieved through greater use of managed care organizations' services and other adjustments related to targeting of funds to local contractors.

12. Environmental Radiation - This item is a reduction to the environmental monitoring program and will be achieved through the elimination of ionizing radiation emissions monitoring and the elimination of the state health laboratory support for this program.

**1997-99 Budget
Department of Health**

13. Administrative Reduction - This item reduces administration for the Department. This reduction will be achieved by eliminating some administrative functions for the Non-Infectious Disease and Injury Prevention program, reductions in agency indirect costs due to reductions in program costs, reductions in the development of cost-benefit analyses for Environmental Health program, efficiencies and a slight delay in implementing a computer system in WIC, and reductions in the cost of Sunset/Sunrise review activities in the Health Services Quality Assurance program.

14. Puget Sound Work Plan - Funding is included in the Department of Health for outreach and technical assistance to local health jurisdictions for local on-site sewage issues, contracting with local health jurisdictions for recreational shellfish activities, contracts to research and demonstrate alternative and experimental on-site sewage systems, and developing an integrated shellfish data system. (Water Resource Administration Account)

15. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

16. Mandated Health Benefit Review - Funding is provided to implement SHB 1191 (mandated health benefit review) which establishes a process for reviewing mandated health benefit proposals. DOH will review proposals when requested to do so by the legislature.

17. Dental Services for Children - To improve access to dental care for children in rural and underserved areas, funding is provided for retired dentists malpractice insurance costs.

18. Abstinence Education - This item provides funding for ESSB 5592 - Abstinence Education. The bill requires the Department to apply for federal funds which are available under federal welfare reform for an abstinence education program. (General Fund - State, General Fund - Federal)

19. AIDS Prescription Drug Program - This item reduces the funding provided in the current services level budget for the Aids Prescription Drug Program (APDP). The program is lidded at estimated expenditures through April, 1997. The Department must operate the program within the funding appropriated and may use various methods to manage the program. Techniques the Department may use include a cap on the number of recipients who receive protease inhibitors, seeking a lower drug cost or limiting enrollment.

20. Improve Access to Oral Health - This item provides funding for community-based oral health grants that may fund sealant programs, education, prevention and other oral health interventions. Such grants may be awarded to state or federally funded community and migrant health centers, tribal clinics, or public health jurisdictions. Priority shall be given to communities with established oral health coalitions. Grant applications for oral health education and prevention grants must include: 1) an assessment of the community's oral health education and prevention needs; 2) identification of the population to be served; and 3) a description of the grant program's predicted outcomes.

21. Trauma Care Services - This item funds SSB 5127 - Funding Trauma Care Services. The bill generates fee revenue to be used for funding trauma services around the state. Revenue generated will be deposited into the Emergency Medical and Trauma Care Services Account for providing grants to local trauma care providers to improve the state's trauma care system. Grants require regional matching funds of at least 25% of the total amount provided. (Emergency Medical Services and Trauma Care Account)

22. Poison Center Enhancement - This item funds an enhancement to the poison center.

23. Balance Health Services Account - This item shifts the cost of certain Department of Health functions from the Health Services Account to General Fund - State. Functions transferred are poison center (\$3.9 million), malpractice insurance for volunteer health professionals (\$0.2 million), EMS personnel licensing and training (\$3.0 million), State Board of Health (\$1.0 million), Vaccines (\$4.1), Youth Suicide Prevention (\$1.0 million) and Children with special health care needs relating to family support and provider training (\$1.0 million). (Health Services Account, General Fund - State)

1997-99 Budget
Department of Health

* **Transfer of Public Health Funding** - This item transfers funding from the Public Health Account to the Health Services Account. This transfer will eliminate the need to make a transfer in the budget bill. (Public Health Account, Health Services Account)

* **Merging Accounts** - Senate Bill 5448 eliminates the Medical Disciplinary Accounts and merges it into the Health Professions Account. (Medical Disciplinary Account, Hospital Professions Account)

1997-99 Budget
Department of Veterans' Affairs
(Dollars in Thousands)

Wednesday, Apr. 16, 1997
11:20 am

	GF-S	Conference Total
1995-97 Estimated Expenditures	21,498	52,142
1997-99 Maintenance Level (ERL)	18,875	53,209
Policy Changes:		
1. Field Services Outreach	144	144
2. Field Services Vendor Rate Increase	76	76
3. Veterans Home Replacement Equipment	130	130
4. Computer Support Staff	89	89
5. General Inflation	-333	-333
Total Policy Changes	106	106
Total 1997-99 Biennium	18,981	53,315
Difference from 1995-97	-2,517	1,173
% Change from 1995-97	-11.7%	2.2%

Comments:

1. Field Services Outreach - Funding is provided to reimburse volunteer service officers for travel and other costs associated with providing outreach claims services to veterans and their family members.

2. Field Services Vendor Rate Increase - Funds are provided for a 3% vendor rate increase effective July 1, 1997 for the ten contracted field offices and providers of Post Traumatic Stress Disorder (PTSD) treatment services.

3. Veterans Home Replacement Equipment - Additional funding is provided for the purchase of resident care equipment, vehicles, and other equipment necessary for the operation of the Retsil facility.

4. Computer Support Staff - Provides one computer technology specialist, to be shared between the Veterans and the Soldiers Homes, to assist with automation of the client assessment and care planning information, and business systems.

5. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

1997-99 Budget
Department of Corrections
(Dollars in Thousands)

Wednesday, Apr. 16, 1997
11:20 am

	GF-S	Conference Total
1995-97 Estimated Expenditures	760,451	766,483
1997-99 Maintenance Level (ERL)	829,988	852,982
Policy Changes:		
1. Delay Hiring Supervision Staff	-512	-512
2. Goods and Services Savings	-1,656	-1,656
3. Reduce Workload Support	-427	-427
4. Administrative Reductions	-2,786	-2,786
5. Eliminate Selected Specialists	-830	-830
6. Reduce Custody Staff Overtime	-700	-700
7. Reduce CI Expansion	-1,077	-1,077
8. Field Office Consolidations	-248	-248
9. Delay Tacoma Pre-Release	-1,330	-1,330
10. Data Communications Upgrade	1,168	1,168
11. General Inflation	-4,152	-4,192
12. Health Care Savings	-5,100	-5,100
13. Vendor Rate Increase	1,566	1,566
14. Reduce Work Crews	-352	-352
15. Eliminate Artist in Residence	-42	-42
16. Reduce On Site Evaluations	-28	-28
17. Reduce Mental Health R&D	-200	-200
18. CCO Automation Efficiencies	-377	-377
19. Local Government Impacts	425	425
20. Tracking System Replacement	0	500
21. Sentencing & Policy Legislation #	348	348
22. Juvenile Justice Legislation #	7,832	7,832
23. Mentally Ill Offender Project	-146	-146
Total Policy Changes	-8,624	-8,164
Total 1997-99 Biennium	821,364	844,818
Difference from 1995-97	60,913	78,335
% Change from 1995-97	8.0%	10.2%

Comments:

1. Delay Hiring Supervision Staff - The maintenance level budget includes funding for additional Community Corrections Officers to supervise additional offenders. Savings are generated by delaying the hiring of these additional Community Corrections Officers by an average of 120 days.

2. Goods and Services Savings - Funding is reduced due to savings in the purchase of goods, services and equipment. In the 1995-97 Biennium, the department purchased a number of items using cash instead of debt service. This reduced the need for resources to be dedicated in the 1997-99 biennium for repayment.

3. Reduce Workload Support - Funding is reduced through the reduction of support staff. As the offender population in the department grows, additional support staff are added in areas like data processing, accounting and correctional industries. All of the staff added for workload growth in the Administration Program and a portion of those added in the Correctional Industries Program are eliminated.

4. Administrative Reductions - Savings are generated through a number of administrative reductions and consolidations in Community Corrections and the Division of Prisons.

**1997-99 Budget
Department of Corrections**

- 5. Eliminate Selected Specialists** - Savings are generated by eliminating a number of community corrections specialist positions. The services provided by the specialists will be transitioned into the regular duties of community corrections officers. Training will generally be provided by computer based training programs and videos rather than by the specialists.
- 6. Reduce Custody Staff Overtime** - Savings will be achieved by making better use of intermittent staff to reduce overtime. The department will also implement programs aimed at improving scheduling and reducing sick leave.
- 7. Reduce CI Expansion** - Funding provided at maintenance level for expanding offender employment is reduced. In addition, the legislative budget assumes that \$400,000 per year in expenditures associated with this expansion will be paid from the non-appropriated, Correctional Industries Account.
- 8. Field Office Consolidations** - Savings are generated by closing four community corrections field offices. Offenders and staff will generally be assigned to the next closest facility.
- 9. Delay Tacoma Pre-Release** - Savings are generated by delaying the opening of 60 beds at the Tacoma Pre-Release facility from January 1999 until July 1999.
- 10. Data Communications Upgrade** - Primarily one-time funding is provided to upgrade the Department's wide area network (WAN) to meet the needs of increased system utilization. The network supports several mission critical data systems including the Offender Based Tracking System (OBTS). Of the amount funded, only \$96,000 is an on-going cost.
- 11. General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
- 12. Health Care Savings** - Funding is reduced to capture anticipated savings in offender health care costs. The 1995 legislature required the Office of Financial Management to contract with a private research company to identify cost saving strategies for delivering and managing inmate health care. The study recommended several strategies which, if implemented, are projected to save \$5.1 million in the 1997-99 Biennium.
- 13. Vendor Rate Increase** - Provides funding for a vendor rate increase of three percent on July 1, 1997. Those receiving a rate increase include providers of contracted work release facilities and community colleges providing educational services to offenders.
- 14. Reduce Work Crews** - Savings are generated by eliminating four community service work crews. In most cases, work crews are paid for by the entity benefiting from their work. Funding is eliminated for four work crews which did not receive reimbursement.
- 15. Eliminate Artist in Residence** - Funding is eliminated for the Artist-in-Residence program. This program brings artists into prisons for a two week residency working with offenders. In recent years, available federal funding for the program has shrunk, reducing the scope of the program.
- 16. Reduce On Site Evaluations** - Savings are generated by discontinuing on-site safety inspections and evaluations in Division of Community Corrections field offices.
- 17. Reduce Mental Health R&D** - Savings are achieved by reducing mental health research and program development by one half. This service is provided, under contract, by the University of Washington.
- 18. CCO Automation Efficiencies** - The Division of Community Corrections has purchased portable computers with cellular modems for community corrections officers (CCOs). By using this equipment, CCOs can check offender data and enter information directly from the field. Currently, CCOs must write the data down and then come back to the office to enter it into the system. In addition to the purchase of equipment, the department incurs additional costs for the use of cellular modems to transfer data. It is assumed that the efficiencies generated by the program will cover the additional cellular costs.

**1997-99 Budget
Department of Corrections**

19. Local Government Impacts - Funding is provided for one-time local government impact costs associated with the opening of 512 additional beds at the Airway Heights Corrections Center.

20. Tracking System Replacement - Funds are provided for a feasibility study for future replacement of the Offender Based Tracking System. An additional \$100,000 in funding is provided from the federal Byrne grant program administered by the Department of Community, Trade and Economic Development. (Other Funds: Violence Reduction & Drug Enforcement Account).

21. Sentencing & Policy Legislation # - Funding is provided to implement SSB 5044 (AIDS Related Crimes), and SSB 5759 (Risk Classification).

22. Juvenile Justice Legislation # - Funding is provided to implement E3SHB 3900 (Juvenile code revisions). The bill has provisions which automatically transfer jurisdiction of 16 and 17 year old offenders charged with certain violent crimes and certain criminal histories to adult court. In addition, the bill also makes numerous changes to both juvenile sentences and sentencing options. The net cost to state and local government is estimated at \$28 million in the 1997-99 Biennium.

23. Mentally Ill Offender Project - Funding is reduced to reflect savings resulting from the implementation of the mentally ill offenders pilot project defined in Second Substitute Senate Bill 6002. Under this project, one Regional Support Network will be selected to provide mentally ill offenders returning to the community from prison with intensive case management and other support services to help them successfully reintegrate into the community. Many of the offenders eligible for the program lack approved housing but are otherwise eligible for release into the community. Under the project, some of these offenders would be released onto community supervision and thus save prison beds.

1997-99 Budget
Dept of Services for the Blind
(Dollars in Thousands)

Wednesday, Apr. 16, 1997
11:20 am

	GF-S	Conference	Total
1995-97 Estimated Expenditures	2,652		14,429
1997-99 Maintenance Level (ERL)	2,677		14,629
Policy Changes:			
1. Federal Grant Increase	123		596
2. General Inflation	-21		-118
Total Policy Changes	102		478
Total 1997-99 Biennium	2,779		15,107
Difference from 1995-97	127		678
% Change from 1995-97	4.8%		4.7%

Comments:

1. Federal Grant Increase - State funds are provided to enable the state agency to qualify for additional federal vocational rehabilitation revenues, which are expected to increase by 3 percent per year during 1997-99, if the required 21.3% state match is available. The agency estimates this will enable it to provide job training and placement services to 150 additional persons with blindness or severe visual impairments. (Other Funds: General Fund-Federal)

2. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

1997-99 Budget
Sentencing Guidelines Commission
(Dollars in Thousands)

Wednesday, Apr. 16, 1997
11:20 am

	GF-S	Conference	Total
1995-97 Estimated Expenditures	1,293		1,293
1997-99 Maintenance Level (ERL)	1,439		1,439
Policy Changes:			
1. General Inflation	-12		-12
Total Policy Changes	-12		-12
Total 1997-99 Biennium	1,427		1,427
Difference from 1995-97	134		134
% Change from 1995-97	10.4%		10.4%

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

1997-99 Budget
Department of Employment Security
(Dollars in Thousands)

Wednesday, Apr. 16, 1997
11:20 am

	GF-S	Conference Total
1995-97 Estimated Expenditures	6,113	438,916
1997-99 Maintenance Level (ERL)	0	396,762
Policy Changes:		
1. Early Intervention Reemployment	0	1,000
2. Unemployment Ins. Business Reform	0	7,900
3. Strengthen Employment Services	0	1,798
4. General Inflation	0	-797
5. Re-employment Support Center	0	114
Total Policy Changes	0	10,015
Total 1997-99 Biennium	0	406,777
Difference from 1995-97	-6,113	-32,139
% Change from 1995-97	-100.0%	-7.3%

Comments:

1. Early Intervention Reemployment - Funding is provided for additional staff to strengthen and expand reemployment services to a larger number of unemployment insurance claimants. The additional staff will assist unemployment insurance claimants return to work faster which is intended to reduce long-term benefit payments made from the Unemployment Insurance Trust Fund. (Employment Services Administrative Account-State)

2. Unemployment Ins. Business Reform - Three new initiatives are planned for the Unemployment Insurance Program:

a) Claims and Adjudication Call Centers: \$5,269,000 is provided for planning and implementation of three regional Claims and Adjudication Call Centers and four stand-alone Adjudication Call Centers. This will move the Department from a geographically based, in-person initial claims process to a centralized telephone claims process. (Unemployment Compensation Administration Account-Federal, Administrative Contingency Account-State)

b) Overpayment Detection/Collection Productivity Enhancement: \$583,000 is provided for implementation of a new automated voice link and case management system. This item will also allow the agency to complete the interface between the automated fraud detection and benefit payment systems, utilize bar code scanners to increase quarterly cross-match cases, and obtain equipment to prepare forgery, prosecution, and fraud cases. (Administrative Contingency Account-State)

c) Data/Wage Quality Initiative: \$2,049,000 is provided to improve the quality of employer reported wage information through reporting alternatives and use of scanning and imaging. (Unemployment Compensation Administrative Account-Federal)

3. Strengthen Employment Services - One-Stop Information Connectivity is the first step toward establishing a statewide system to improve and integrate all employment services related systems across state government. (General Fund-Federal)

4. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

5. Re-employment Support Center - Funds are provided for the King County Reemployment Support Center. This transfer from the Department of Community Trade and Economic Development results in all three reemployment centers being funded from this account. (Administrative Contingency Account)

1997-99 Budget
Department of Employment Security

* **Fund Source Change** - Overpayment and detection activities that were paid by the Unemployment Compensation Administration Account are shifted to the Administrative Contingency Account. (Unemployment Compensation Administration Account-Federal, Administrative Contingency Account-State)

1997-99 Budget
Dept of Social and Health Services
Children and Family Services
(Dollars in Thousands)

	GF-S	Conference	Total
1995-97 Estimated Expenditures	324,744		607,023
1997-99 Maintenance Level (ERL)	398,124		687,076
Policy Changes:			
1. 1997-99 Child Care Vendor Increase	1,391		1,446
2. Reduce Secured CRCs	-2,336		-2,375
3. Transfer of Employment Child Care	-39,408		-67,206
4. Fire Marshal Inspections	262		262
5. Child Care Provider Training	1,160		1,160
6. Passport Program	2,262		4,446
7. Intensive Foster Care Assessment	2,005		2,619
8. Home Studies for Adoptive Families	346		450
9. Adoption Reconsideration #	24		24
10. Foster Care Basic Rate	2,459		3,112
11. Increase Child Placing Agency Rates	828		1,722
12. Continuum of Care/Street Youth	4,400		4,400
13. Improve Child Care Quality	2,930		4,071
14. Domestic Violence Funding	0		3,182
15. Victims of Crime Federal Increase	0		4,188
16. General Inflation	-789		-1,157
17. Delay Community Network Funding	0		-4,860
18. Secure Crisis Center Treatment	200		200
19. Foster Care Improvements	1,150		1,440
20. Juvenile Treatment Legislation	1,280		1,280
21. Temporary Assistance(TANF) Transfer	17,009		0
Total Policy Changes	-4,827		-41,596
Total 1997-99 Biennium	393,297		645,480
Difference from 1995-97	68,553		38,457
% Change from 1995-97	21.1%		6.3%

Comments:

1. 1997-99 Child Care Vendor Increase - This item provides a child care vendor rate increase of 3% on July 1, 1997. The increase is at the same rate as other vendors received. (General Fund - State, General Fund - Federal)

2. Reduce Secured CRCs - This item is an one-time reduction of \$2.3 million to adjust for the fact that all 75 secured Crisis Residential Center (CRC) beds will not be in operation in the first year of the biennium. Second year funding is restored to the full amount. (General Fund-State, General Fund-Federal)

3. Transfer of Employment Child Care - This item transfers employment child care funding to the Economic Services Administration in accordance with HB 3901, Welfare Reform. The bill directs that all job-related child care be operated on a seamless basis out of the Economic Services Administration. (General Fund - State, General Fund - Federal)

4. Fire Marshal Inspections - Child care providers are required to have their facilities inspected for fire safety. This item provides funding to pay for the inspection for certain providers and funds safety training for child care licensors and providers.

1997-99 Budget
Dept of Social and Health Services
Children and Family Services

5. Child Care Provider Training - Funding is provided to expand a 15-hour training model for family child care providers on a statewide basis and to fully fund training for workers in child care centers. Funds for vouchers for low-income staff and a tracking system to monitor and enforce the training requirements are also included.

6. Passport Program - This item funds a statewide roll-out of a pilot program operated in King County during 1996 which creates a "passport" for children in foster care. (General Fund-State, General Fund-Federal)

7. Intensive Foster Care Assessment - This item provides an in-depth independent assessment of foster children who are still in placement after 90 days and who are likely to stay for an extended period. (General Fund-State, General Fund-Federal)

8. Home Studies for Adoptive Families - With the increased emphasis on finding adoptive homes for children, there is a need for an estimated three hundred additional home studies per year. This item will allow private agencies to be paid for home studies at a cost of \$750 per home study. (General Fund-State, General Fund-Federal)

9. Adoption Reconsideration # - This item funds department request legislation which expands the Adoption Support Reconsideration Program to include those children who are at high risk of a future physical, mental or emotional problem from exposure to traumatic conditions prior to adoption. The current program provides limited medical and counseling services for children adopted from foster care with physical, mental or emotional problems documented prior to adoption. This proposal assumes 12 additional children will be served a year.

10. Foster Care Basic Rate - This step increases the basic rate for family foster care by \$25 per child per month. The increase is phased in over the biennium. (General Fund-State, General Fund-Federal)

11. Increase Child Placing Agency Rates - This item increases the rate paid to private child placing agencies. These agencies place children in foster care and provide other services to children in out-of-home placements. (General Fund - State, General Fund - Federal)

12. Continuum of Care/Street Youth - This item restores funding for the projects which serve street youth and which provide a continuum of care for children in five locations around the state.

13. Improve Child Care Quality - The new federal Child Care and Development Fund requires that a minimum of 4 percent be spent on improving the quality and capacity of the child care system. Some of the activities currently defined as quality do not meet the new definition. This item funds additional investments in the child care system so the state is better prepared to meet the child care demands related to welfare legislation. Grants and other services may be provided to child care providers to support the expansion of slots for off-hours child care and in areas where welfare recipients will be moving into employment. Funding reflects the increased expenditures from the Child Care Block Grant due to WorkFirst, which require additional quality expenditures. (General Fund-State, General Fund-Federal)

14. Domestic Violence Funding - This item addresses shortfalls in the current system by assuming increased federal funding will be used to strengthen the existing domestic violence programs and to fund new programs in parts of the state where there aren't any. (General Fund-Federal)

15. Victims of Crime Federal Increase - Additional federal funding authority is provided for programs designed to assist sexual assault victims and other victims of crime programs. (General Fund - Federal)

16. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

1997-99 Budget
Dept of Social and Health Services
Children and Family Services

17. Delay Community Network Funding - This item delays the funding of the community networks from the Violence Reduction and Drug Education Account (VRDE) for two years. Federal funds equivalent to the amount projected to be spent in the 1995-97 biennium are provided to the networks to continue activities through the next biennium. The Family Policy Council VRDE appropriation is reduced by \$100,000 for the 97-99 biennium. This item assumes that \$1,485,000 of the Federal IV-B Part 2 money that was transferred from the networks to Children's Administration in maintenance level is transferred back to the networks to supplant a portion of the VRDE cut. All VRDE funds appropriated to Children's Administration shall be expended by Children and Family Services, not by the Community Networks. (Violence Reduction and Drug Enforcement Account)

18. Secure Crisis Center Treatment - Funding is provided in each fiscal year to fund any expenses incurred in the course of defending providers of secure facility services against expected lawsuits. Funds are also provided for the implementation of rules regarding income, resources, and exemptions to determine a parent's ability to pay for a child's treatment at a secure facility. (General Fund-State)

19. Foster Care Improvements - This item provides funding for improved recruitment and retention efforts in foster care providers and for foster parent liaisons to be contracted with by the department. Foster parent liaisons shall act as the advocate for foster parents with the Department and will free foster parents up to work with children by taking care of procedural and administrative activities required by DSHS. (General Fund - State, General Fund - Federal)

20. Juvenile Treatment Legislation - This item funds 2SSB 5710 - Juvenile Care and Treatment and/or 2SHB 1862 - Alternative Response System. Generally, the bills authorize creation of new alternative response sites similar to existing continuum of care programs existing in five locations around the state. Funding is provided for two new alternative response sites.

21. Temporary Assistance(TANF) Transfer - With the implementation of the Temporary Assistance to Needy Families (TANF) block grant, additional work and time limit requirements will be placed on families served by the federal funding. These additional requirements will be harder to track at the client level in the Division of Children and Family Services. This item transfers the TANF federal funding from the Division of Children and Family Services to Economic Services. The same amount of state funding is then transferred out of Economic Services and placed in the Division of Children and Family Services. (General Fund-State, General Fund-Federal)

1997-99 Budget
Dept of Social and Health Services
Juvenile Rehabilitation
(Dollars in Thousands)

	GF-S	Conference	Total
1995-97 Estimated Expenditures	125,191		190,659
1997-99 Maintenance Level (ERL)	163,065		199,004
Policy Changes:			
1. Delay Green Hill Housing Units	-175		-175
2. Reduce Institutions Program Mngrs	-446		-446
3. Adminstration Reduction	-443		-443
4. General Inflation	-606		-606
5. Assume Internal Best Practices	-388		-388
6. Parole Targeting	-1,956		-2,300
7. Medical Lake Closure	-4,724		-4,724
8. Juvenile Offender Placement #	206		206
9. Risk Classification #	128		128
10. Juvenile Justice Legislation #	9,528		11,083
11. Local Impact of Juvenile Justice #	0		7,190
Total Policy Changes	1,124		9,525
Total 1997-99 Biennium	164,189		208,529
Difference from 1995-97	38,998		17,870
% Change from 1995-97	31.2%		9.4%

Comments:

1. Delay Green Hill Housing Units - Funding is reduced due to delays in opening three new 64-bed housing units at Green Hill School. The opening is delayed from February 1998 to July 1998.

2. Reduce Institutions Program Mngrs - Funding is reduced due to twelve of the Juvenile Rehabilitation Administration's small (16 bed) cottages sharing program managers.

3. Adminstration Reduction - Funding is reduced for administrative costs within JRA.

4. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

5. Assume Internal Best Practices - The recently completed Joint Legislative Audit and Review Committee Capacity Study found that staffing efficiencies could be achieved by applying internal best practices. Juvenile Rehabilitation Administration will study their most efficient housing units as they are currently operating. The lessons learned from this analysis will then be applied to similar housing units.

6. Parole Targeting - Currently, the average length of stay for juvenile non-sex offenders is approximately sixteen weeks. Current parole standards require two to three monthly contacts with a parole counselor and participation in available treatment services. Research does not support that this level of parole has a measurable effect on offender behavior. This item eliminates parole for all offenders within the custody of JRA, except sex offenders and approximately 25% of offenders assessed as high-risk. (General Fund-State, General Fund-Federal)

1997-99 Budget
Dept of Social and Health Services
Juvenile Rehabilitation

7. Medical Lake Closure - Savings are achieved by not opening the Medical Lake Treatment Center on the grounds of Eastern State Hospital. The facility was planned to have 80 beds and would cost over \$53,000 per bed to operate. The November 1996 juvenile offender forecast projects that the number of offenders housed by JRA will be substantially less than the maximum operating capacity of the system. By not opening the facility and housing the offenders within maximum operating capacity, significant savings are achieved.

8. Juvenile Offender Placement # - Funding is provided to implement HB 1968 (juvenile offender placement). The legislation requires the Juvenile Rehabilitation Administration to develop and implement procedures and policies to protect sexually vulnerable youth from sexually aggressive youth.

9. Risk Classification # - Provides funding for the implementation SSB 5759 (Risk Classification). The legislation requires the Juvenile Rehabilitation Administration to assign a risk classification level to sex offenders released from their facilities.

10. Juvenile Justice Legislation # - Funding is provided to implement E3SHB 3900 (Juvenile code revisions). The bill has provisions which automatically transfer jurisdiction of 16 and 17 year old offenders charged with certain violent crimes and certain criminal histories to adult court. In addition, the bill also makes numerous changes to both juvenile sentences and sentencing options. The net cost to state and local government is estimated at \$28 million in the 1997-99 Biennium. (General Fund - State, Violence Reduction and Drug Enforcement Account - State)

11. Local Impact of Juvenile Justice # - Funding is provided for the local government impact of E3SHB 3900 (juvenile code revisions). The bill has provisions which automatically transfer jurisdiction of 16 and 17 year old offenders charged with certain violent crimes and certain criminal histories to adult court. In addition, the bill also makes numerous changes to both juvenile sentences and sentencing options. The net cost to state and local government is estimated at \$28 million in the 1997-99 Biennium. These funds are to be distributed to counties to offset the impact of the bill. (Violence Reduction and Drug Enforcement Account - State)

1997-99 Budget
Dept of Social and Health Services
Mental Health
(Dollars in Thousands)

Wednesday, Apr. 16, 1997
11:20 am

	GF-S	Conference Total
1995-97 Estimated Expenditures	454,364	880,691
1997-99 Maintenance Level (ERL)	472,112	961,317
Policy Changes:		
1. General Inflation	-1,172	-1,591
2. Reduce Admin Requirements	60	60
3. Adjust PHP Rates	-6,671	-13,898
4. Implement Phase III Managed Care	-4,102	-7,043
5. Mentally Ill Offender Project	500	500
6. Balance Health Services Account	13,617	0
Total Policy Changes	2,232	-21,972
Total 1997-99 Biennium	474,344	939,345
Difference from 1995-97	19,980	58,654
% Change from 1995-97	4.4%	6.7%

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

2. Reduce Admin Requirements - Funding is provided for the department to continue working with mental health service providers, Regional Support Networks, and various DSHS divisions to streamline the delivery of mental health services and reduce administrative costs.

3. Adjust PHP Rates - When the community mental health system converted to a capitated payment system for Medicaid outpatient services, different capitation rates were established for each Regional Support Network (RSN), based upon actual Medicaid expenditures in that RSN during 1992, 1993, or 1994. Because of wide variations in the extent to which community mental health centers in different parts of the state utilized the Medicaid program during those years, capitated payment rates are much lower in some RSN's than others. For example, on average, the three RSN's with the lowest capitation rates are paid less than half as much per Medicaid-eligible client than the three RSN's with the highest rates. To immediately eliminate this inequity would require either a large increase in public expenditures, a significant reduction in payments to some RSN's, or a combination of the two. Rather than take such actions, the legislative budget implements a policy of reducing this inequity by distributing the new funds which are available for caseload growth disproportionately to those RSN's which are currently receiving less than the statewide average payment per Medicaid recipient.

Specifically, the legislative budget provides for (1) caseload growth to be funded and distributed at the current statewide average rate; and (2) for RSN's whose FY 97 allocation is more than they would receive in 1997-99 if their allocation were based on the statewide weighted average rate to receive no additional funding. As a result of this approach, about \$9.7 million of new funding will be distributed in 1997-99. Eight RSN's will receive a larger increase than if caseload growth were funded at their current payment rate; three RSN's will receive an increase over their FY 97 allocation, but with caseload growth funded at less than their current payment rate; and three RSN's will be held harmless at their FY 97 allocation. (Other Funds: General Fund-Federal)

1997-99 Budget
Dept of Social and Health Services
Mental Health

4. Implement Phase III Managed Care - Starting in October 1997, community inpatient hospitalization will be integrated with outpatient services under a single capitated managed care system for Medicaid-eligible mental health clients. Currently, inpatient services are paid on a fee-for-service basis, while outpatient services have been paid through capitated payments to Regional Support Networks (RSN's) since early 1996. An integrated system is expected to promote a better match between client service needs and the type of care they receive; better preventative and follow-up care; and reduced cost shifting. RSN's have been managing children's inpatient admissions since March 1995, and adult admissions since March 1996, with the result that voluntary inpatient expenditures were over 25% lower in FY 96 than would have been expected based on previous utilization trends. The legislative budget provides for about one-third of this reduction to be a direct savings to taxpayers, and for the balance to be included in capitation payments to the organizations managing the integrated system. The share included in capitation payments will be used to administer the integrated system, and to provide case management, outpatient, and other services for persons at risk of hospitalization. (Other Funds: General Fund-Federal)

5. Mentally Ill Offender Project - Funding is provided to develop and operate the mentally ill offenders pilot project defined in Second Substitute Senate Bill 6002. Under this project, one Regional Support Network will be selected to provide mentally ill offenders returning to the community from prison with intensive case management and other support services to help them successfully reintegrate into the community.

6. Balance Health Services Account - In order to maintain Basic Health Plan services to the extent possible within available revenues, community mental health services for children covered by Medicaid as a result of the eligibility expansion to 200% of the federal poverty level will be funded with general fund-state rather than from the Health Services Account. (Other Funds: Health Services Account)

1997-99 Budget
Dept of Social and Health Services
Developmental Disabilities
(Dollars in Thousands)

	GF-S	Conference	Total
1995-97 Estimated Expenditures	384,177		724,385
1997-99 Maintenance Level (ERL)	403,766		772,243
Policy Changes:			
1. General Inflation	-841		-1,576
2. Reduce Administrative Supports	-402		-584
3. Reduce Medicaid Personal Care	-1,183		-2,440
4. Manage Personal Care Growth	-884		-1,846
5. Yakima Valley School	625		1,100
6. UCP Closure	667		1,386
7. Adult Family Home Quality	577		885
8. Provider Liability Insurance	196		400
9. Adult Family Home Training	274		496
10. 1997-99 High School Graduates	1,908		1,908
11. Community Protection Initiative	2,672		5,492
12. Balance Health Services Account	7,688		0
Total Policy Changes	11,297		5,221
Total 1997-99 Biennium	415,063		777,464
Difference from 1995-97	30,886		53,079
% Change from 1995-97	8.0%		7.3%

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

2. Reduce Administrative Supports - As suggested by the agency in response to the Governor's request for budget reduction options, expenditures on developmental disabilities central administration are to be reduced by approximately 6.5%, and expenditures on community technical assistance and demonstration projects are to be reduced by approximately 6%. (Other Funds: General Fund-Federal)

3. Reduce Medicaid Personal Care - As suggested by the agency in response to the Governor's request for budget reduction options, medicaid personal care reimbursement to parents caring for an adult son or daughter at home will be limited to approximately \$564 per month, rather than to the \$863 maximum reimbursement which is available for someone living alone. This change is expected to affect approximately 260 families. Additionally, the maximum monthly personal care expenditure for children living with their families is to be set at the same \$564 per month applicable to adults. This will reduce the maximum amount of payment available to approximately 115 families. (Other Funds: General Fund-Federal)

4. Manage Personal Care Growth - The number of children receiving Medicaid personal care services is budgeted to increase by an average of 23% per year in 1997-99, and the number of adults receiving such services is budgeted to increase by 11% per year. However, the legislative budget provides that the average cost per person served is to remain at the FY 97 level (adjusted for any authorized vendor rate increases), rather than increasing by an average of 2% per year for adult cases as proposed by the agency. This can be accomplished by developing more flexible models of care, by emphasizing the use of informal supports, and by implementing more consistent assessment and authorization procedures across regions. To the extent that does not occur, or to the extent caseload grows even more than budgeted, the agency is directed to adjust eligibility criteria and/or service levels enough to remain within appropriated levels, as required by the statute authorizing provision of personal care services. (Other Funds: General Fund-Federal)

1997-99 Budget
Dept of Social and Health Services
Developmental Disabilities

5. Yakima Valley School - Funding is provided to (1) operate a nursing community outreach project at Yakima Valley School through which registered nursing staff will provide nursing assessments, consulting, training, and quality assurance to persons with developmental disabilities throughout Central Washington; and (2) develop and operate a 16-bed respite program for eligible persons with developmental disabilities statewide, with an emphasis on those residing in Central Washington. (Other Funds: General Fund-Federal)

6. UCP Closure - The United Cerebral Palsy Association plans to close its 57-bed nursing facility, and transfer the residents to small community residences which it is developing. While this change will save taxpayers about \$6,000 per resident per year when the moves are completed, there will be a temporary cost increase in order to maintain the nursing facility plant and base staffing level while residents are gradually moving out. This item provides one-time-only funding to enable the closure to be completed by February 1999. The lower community costs which will occur after the moves are completed will pay for this investment in four years. (Other Funds: General Fund-Federal)

7. Adult Family Home Quality - This item funds additional case management staff to monitor and assist adult family homes serving the 1,200 adults with developmental disabilities expected to reside in such homes during 1997-99. With this additional funding, case managers will be able to double the amount of monitoring and assistance currently provided such homes. (Other Funds: General Fund-Federal)

8. Provider Liability Insurance - During the 1995-97 Biennium, "hold harmless" provisions for community residential providers serving dangerous clients were eliminated from their contracts, resulting in the need for these providers to purchase private liability insurance premiums at increased cost. This step funds the increased cost of these premiums. (Other Funds: General Fund-Federal)

9. Adult Family Home Training - Funding is provided for specialized training for adult family homes which serve persons with developmental disabilities. Currently, adult family homes must receive 22 hours of initial training, and 10 hours of follow-up training per year. This proposal funds trainer and staff replacement costs for the managers of homes serving people with developmental disabilities to receive an additional 20 hours of initial training and ten hours per year of follow-up training. Funding is also provided for additional consultation and training for homes serving individuals with additional behavioral or medical needs. (Other Funds: General Fund-Federal)

10. 1997-99 High School Graduates - Funding is provided for employment and day training programs for an estimated 900 young persons with developmental disabilities who will graduate from public school during the 1997-99 biennium. In addition to the funds budgeted here, \$4.1 million of state and federal funds are provided for this purpose in the Division of Vocational Rehabilitation appropriation. Services are to be phased in during the first year after graduation.

11. Community Protection Initiative - During the first six months of 1997, secure residential settings were developed to provide 24-hour supervision for 40 persons with histories of physically or sexually abusive behavior or arson. These individuals were thought to pose a high risk of re-offending in their previous living arrangement. This item continues operation of those intensively supervised living arrangements throughout the 1997-99 biennium, at an average cost of \$76,000 per person per year. (Other Funds: General Fund-Federal)

12. Balance Health Services Account - In order to maintain Basic Health Plan services to the extent possible within available revenues, funding for enhanced family support services and some children's personal care is transferred from the Health Services Account to general fund-state. (Other Funds: Health Services Account)

1997-99 Budget
Dept of Social and Health Services
Long-Term Care Services
(Dollars in Thousands)

Wednesday, Apr. 16, 1997
11:20 am

	GF-S	Conference Total
1995-97 Estimated Expenditures	765,744	1,547,198
1997-99 Maintenance Level (ERL)	809,245	1,698,553
Policy Changes:		
1. Revise Adult Day Health Eligibility	-1,481	-3,088
2. SSB 5179	1,407	2,549
3. Nurse Assessments & Oversight	85	170
4. General Inflation	-147	-280
5. New Nursing Home Payment System	-3,099	-6,477
6. Boarding Home Rate Increase	1,129	2,349
7. Basic Health Plan Underexpenditure	0	-3,591
8. Residential Care Quality Assurance	437	874
9. Enhanced IPP Case Management	773	1,546
Total Policy Changes	-896	-5,948
Total 1997-99 Biennium	808,349	1,692,605
Difference from 1995-97	42,605	145,407
% Change from 1995-97	5.6%	9.4%

Comments:

1. Revise Adult Day Health Eligibility - As recommended in the Governor's budget, eligibility standards for adult day health services are to be tightened in order to reduce the rate of growth in the program. At the funding level proposed in the legislative budget, the program would be able to grow at approximately 10% per year, more than twice the projected growth in the population aged 85 and over, but less than the 25% per year rate it has grown the past several years. (Other Funds: General Fund-Federal)

2. SSB 5179 - This item provides funding for Second Substitute Senate Bill 5179, which makes several changes to the current nursing home payment system. These include increased reimbursement for costs associated with new construction or substantial remodelling of a nursing facility, and reducing the 90% minimum occupancy standard to 85% for nursing homes which were newly constructed in 1994. (Other Funds: General Fund-Federal)

3. Nurse Assessments & Oversight - The Senate budget provides additional funding so that registered nurses can be hired to fill at least six of the new field positions added in the maintenance level budget for fiscal year 1998, and at least 7 of the new positions added in fiscal year 1999. This will result in a 60% increase in the number of registered nurses employed in state long-term care offices, and is expected to result in better medical assessments and quality of care oversight for persons in need of long-term care. (Other Funds: General Fund-Federal)

4. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

5. New Nursing Home Payment System - A new nursing home payment system is to take effect in FY 99. The legislative budget directs DSHS to propose designs which will assure that the average state payment per nursing home resident increases by no more than 175% of the national index of nursing home inflation in FY 99. This will result in a rate increase of approximately 6.4% in FY 99, compared to the 7.5% average increase assumed in the legislative maintenance level budget. (Other Funds: General Fund-Federal)

6. Boarding Home Rate Increase - Funding is provided for a \$2 per resident day increase in state payment rates for adult residential care and enhanced adult residential care provided by licensed boarding homes. (Other Funds: General Fund-Federal)

1997-99 Budget
Dept of Social and Health Services
Long-Term Care Services

7. Basic Health Plan Underexpenditure - Recent trends indicate that the cost of subsidized Basic Health Plan enrollment for homecare workers will be less than anticipated in the maintenance level budget. (Other Funds: Health Services Account)

8. Residential Care Quality Assurance - This item provides funding to increase the frequency of adult family home licensing visits from an average of once every 15 months to an average of once every 12 month. (Other Funds: General Fund-Federal)

9. Enhanced IPP Case Management - Funding is provided for Area Agencies on Aging to provide more intensive case management assistance and monitoring for persons receiving in-home assistance from self-employed rather than agency-supervised homecare workers. (Other Funds: General Fund-Federal)

1997-99 Budget
Dept of Social and Health Services
Economic Services
(Dollars in Thousands)

Wednesday, Apr. 16, 1997
11:20 am

	GF-S	Conference	Total
1995-97 Estimated Expenditures	996,751		1,840,942
1997-99 Maintenance Level (ERL)	1,068,031		1,865,553
Policy Changes:			
1. 1997-99 Child Care Vendor Increase	0		9,275
2. Transfer of Employment Child Care	39,408		67,206
3. SSI State Supplemental Payment	-3,789		-3,789
4. GAU Naturalization Effort	-12,134		-12,134
5. Health Services Account Reduction	0		-750
6. General Inflation	-1,502		-2,648
7. Integrated Child Care System	0		73,129
8. Newly Arriving Aliens	-2,869		-2,869
9. Limit Eligibility for GA-U Program	-23,114		-23,114
10. Welfare Reform Legislation	26,113		55,894
11. Temporary Assistance(TANF) Transfer	-17,009		0
Total Policy Changes	5,104		160,200
Total 1997-99 Biennium	1,073,135		2,025,753
Difference from 1995-97	76,384		184,811
% Change from 1995-97	7.7%		10.0%

Comments:

1. 1997-99 Child Care Vendor Increase - This item provides a child care vendor rate increase of 3% on July 1, 1997. The increase is at the same rate as other vendors received. (General Fund - State, General Fund - Federal)

2. Transfer of Employment Child Care - This item transfers employment child care funding to the Economic Services Administration in accordance with HB 3901, Welfare Reform. The bill directs that all job-related child care be operated on a seamless basis out of the Economic Services Administration. (General Fund - State, General Fund - Federal)

3. SSI State Supplemental Payment - With the many changes in Supplemental Security Income (SSI) eligibility at the federal level, the caseload for SSI will decline dramatically beginning in January 1997. With this in mind, the decision was made to return to a standard payment level method of paying SSI State Supplement beginning on January 1, 1997. This item reflects the projected savings as a result. The legislature intends that once the total payment for SSI State Supplement to SSI recipients reaches the budget level provided in 1995 for this program, the method of calculating the State Supplement payment will be changed to the total budget method of paying the State Supplement.

4. GAU Naturalization Effort - This item provides funding to assist legal immigrants in the citizenship process that will allow them to retain or regain their Social Security Income (SSI) eligibility as early as possible. The costs of naturalization include a fee for community based organizations to hold ten week bilingual citizenship training classes, and application fees charged by the Immigration and Naturalization Service (INS). Also included in this step is the estimated General Assistance-Unemployable (GA-U) caseload savings as clients obtain citizenship and regain their eligibility under SSI.

5. Health Services Account Reduction - This item eliminates funding no longer required for BHP enrollment assistance. (Health Services Account)

6. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

1997-99 Budget
Dept of Social and Health Services
Economic Services

7. Integrated Child Care System - This item increases the availability of child care for families who need help in meeting the cost of child care. A seamless child care program is created by HB 3901, Implementing Welfare Reform. Funding provided in this item will allow persons on TANF to participate in work programs and low income working persons to receive assistance to offset the cost of child care. (General Fund-State, General Fund-Federal)

8. Newly Arriving Aliens - As part of EHB 3901 (implementing the federal personal responsibility and work opportunity act), newly arriving legal aliens, will not be able to receive General Assistance-Unemployable for five years or until they become citizens, unless their sponsors die or become incapacitated. After five years, legal aliens will have eligibility determined based on their own income as well as their sponsor's income. It is estimated that most newly arriving legal immigrants will not fall within eligibility criteria in the legislation.

9. Limit Eligibility for GA-U Program - Funding is reduced for the General Assistance-Unemployable program based on eliminating vocational factors as a contributing factor to eligibility.

10. Welfare Reform Legislation - This item funds HB 3901, Welfare Reform Legislation. The bill requires funding of the state Maintenance of Effort under the Temporary Assistance for Needy Families Program plus the total TANF block grant and Child Care Block Grant awarded to the state each year. The bill creates a food stamp assistance program for legal immigrants who resided in Washington prior to passage of the federal welfare reform law (P.L. 104-193) (approximately \$65 million) and child care for low income working families and for those on the TANF program who are in work activities. Child care funding is provided in the item titled "Integrated Child Care System". The amounts provided plus the current services level budget fully fund the requirements of the bill.

11. Temporary Assistance(TANF) Transfer - With the implementation of the Temporary Assistance to Needy Families (TANF) block grant, additional work and time limit requirements are placed on families served by the federal funding. These additional requirements will be harder to track at the client level in the Division of Children and Family Services. This item removes the TANF federal funding from the Division of Children and Family Services and transfers this funding to Economic Services. The same amount of state funding is then transferred out of Economic Services and placed in the Division of Children and Family Services. (General Fund-State, General Fund-Federal)

1997-99 Budget
Dept of Social and Health Services
Alcohol & Substance Abuse
(Dollars in Thousands)

	GF-S	Conference Total
1995-97 Estimated Expenditures	21,043	174,615
1997-99 Maintenance Level (ERL)	24,472	177,665
Policy Changes:		
1. Referral and Monitoring Agency	0	-950
2. Fetal Alcohol Syndrome	1,520	1,520
3. Treatment For SSI/SSDI Persons	2,506	5,506
4. General Inflation	-68	-68
5. Reduce Administration	-370	-616
6. Reduce ADATSA Transportation	-230	-230
7. Juvenile Justice Legislation	743	743
8. Balance Health Services Account	970	0
Total Policy Changes	5,071	5,905
Total 1997-99 Biennium	29,543	183,570
Difference from 1995-97	8,500	8,955
% Change from 1995-97	40.4%	5.1%

Comments:

1. Referral and Monitoring Agency - In the spring of 1996, Congress eliminated drug or alcohol addiction as a primary qualifying condition for the Supplemental Security Income (SSI) program. Consequently, federal funding was also eliminated for employment and case management services for drug and alcohol addicted clients on SSI. (General Fund-Federal)

2. Fetal Alcohol Syndrome - Funds are provided for an advocacy program to provide coordinated services to the highest risk mothers who are abusing alcohol. The program will operate in two sites in the state. These women include those who have given birth to a child with Fetal Alcohol Syndrome/Alcohol Related Neurodevelopmental Disorder.

3. Treatment For SSI/SSDI Persons - This item provides funding for individuals who lose SSI eligibility due to changes in the federal law which deny eligibility for those addicted to drugs or alcohol. Many of those who lose eligibility will be eligible for the General Assistance - Unemployable program. This item provides treatment services for those losing SSI benefits who are not eligible for GA-U. (General Fund - State, General Fund - Federal)

4. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

5. Reduce Administration - This item reduces administrative staff and costs in the Division of Alcohol and Substance Abuse. Administration as a percent of total Division costs is reduced from 33% to 20%, according to the Department of Personnel definition of administrative activities. (General Fund - State, General Fund - Federal)

6. Reduce ADATSA Transportation - This item eliminates the payment of a portion of the transportation costs for individuals who must travel to reach treatment services.

7. Juvenile Justice Legislation - This item funds E3SHB 3900 - Juvenile Justice Legislation. Funding is provided for chemical dependency evaluations of juveniles subject to the bill's provisions.

1997-99 Budget
Dept of Social and Health Services
Alcohol & Substance Abuse

8. Balance Health Services Account - Funding for the fetal alcohol syndrome diagnostic center and treatment of drug or alcohol addicted youth is shifted to the General Fund--State in order to balance the Health Services Account. (General Fund - State, Health Services Account)

1997-99 Budget
Dept of Social and Health Services
Medical Assistance Payments
(Dollars in Thousands)

Wednesday, Apr. 16, 1997
11:20 am

	GF-S	Conference Total
1995-97 Estimated Expenditures	1,328,205	3,510,751
1997-99 Maintenance Level (ERL)	1,401,231	4,011,692
Policy Changes:		
1. General Inflation	-390	-995
2. Caseload Decline Due to WorkFirst	-3,941	-8,223
3. Newly Arriving Legal Immigrants	-1,518	-2,741
4. Eliminate GAU Vocational Factors	-12,090	-12,090
5. Trauma Care	-4,600	0
6. Hospital Savings	-2,310	-4,828
7. Managed Care Per Capitas	-14,235	-41,343
8. Reduce Drug Ingredient Payment	-4,620	-9,473
9. Providers Provide Interpreters	-7,600	-18,520
10. Constraint of Fee-for-Service	-6,500	-14,719
11. Premiums for Able-Bodied Adults	-5,472	-11,525
12. Air Ambulance Rate Increase	650	1,288
13. Balance Health Services Account	30,313	0
Total Policy Changes	-32,313	-123,169
Total 1997-99 Biennium	1,368,918	3,888,523
Difference from 1995-97	40,713	377,772
% Change from 1995-97	3.1%	10.8%

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

2. Caseload Decline Due to WorkFirst - This item assumes that the number of non-disabled adults receiving publicly-funded medical assistance will decrease by approximately 0.6% in FY 98, and by approximately 2.5% in FY 99 as a result of increased work opportunities resulting from welfare reform. This is the same level of Medicaid caseload reduction assumed in the Governor's budget proposal. The legislative budget anticipates a larger medical assistance expenditure reduction than proposed by the Governor because it calculates the savings with the average cost per AFDC adult case, rather than with the average cost per AFDC recipient, since only adults are expected to leave the medicaid rolls. It is assumed that most children whose parents leave or are diverted from welfare will continue to be eligible for medicaid under the 200% of poverty children's eligibility level. (Other Funds: General Fund-Federal)

3. Newly Arriving Legal Immigrants - As part of EHB 3901 (implementing the federal personal responsibility and work opportunity act), newly arriving legal aliens will be ineligible for Temporary Assistance for Needy Families and for General Assistance-Unemployable for five years, or until they become citizens. This will result in reduced medical assistance caseloads and expenditures. These adults will continue to be eligible for emergency and maternity care, and their children will continue to be eligible for full-scope medical care through the state-only medical program. (Other funds: General Fund-Federal)

4. Eliminate GAU Vocational Factors - Fewer persons will qualify for medical assistance under the General Assistance-Unemployable program because of changes which eliminate vocational factors as a contributor to eligibility for that program. (Other Funds: General Fund-Federal)

1997-99 Budget
Dept of Social and Health Services
Medical Assistance Payments

5. Trauma Care - In 1996, the Legislature provided a general fund-state increase in medical assistance payment rates for services delivered by designated trauma centers. This increase was expected to be temporary while a longer-term solution to the problem of uncompensated and under-compensated trauma care was developed. Such a solution appears to have been achieved with passage of 2SSB 5127, which will result in an additional \$12-\$18 million of revenue for trauma centers beginning in calendar year 1998. A portion of these revenues are used to make the increased medical assistance payment rate permanent. (Other Funds: General Fund-Federal)

6. Hospital Savings - The Medical Assistance Administration expects to reduce expenditures by (1) selectively contracting with only a few "Centers of Excellence" for performance of certain organ transplants; and (2) negotiating larger volume discounts with urban hospitals, as an alternative to selectively contracting with only a few of the hospitals in those areas. (Other Funds: General Fund-Federal)

7. Managed Care Per Capitas - Both the Governor's and the legislative budget provide for average AFDC and expansion group managed care rates to increase by no more than 2 percent per person per year. The legislative budget additionally provides for average SSI managed care rates to increase by no more than 3.5% per year. (Other Funds: General Fund-Federal, Health Services Account-State)

8. Reduce Drug Ingredient Payment - The Medical Assistance Administration will achieve reductions in expenditures on the prescription drug program. (Other Funds: Health Services Account, General Fund-Federal)

9. Providers Provide Interpreters - Total projected expenditures on interpreter services will be reduced by 70% by (1) making additional toll-free interpreter telephone lines available to recipients and medical practitioners, rather than paying for individual interpreters to accompany recipients to medical appointments; and (2) requiring providers to provide needed interpreter services within their current payment rates, as is currently done in most other states. (Other Funds: Health Services Account, General Fund-Federal)

10. Constraint of Fee-for-Service - Both the Governor's and the legislative budget provide for an across-the-board 2% reduction in the rates paid for most medical services not included in managed care. The legislative budget exempts pharmacy dispensing fees from this reduction, since payments for drug ingredients are being reduced elsewhere in the budget. (Other Funds: General Fund-Federal)

11. Premiums for Able-Bodied Adults - At the Governor's direction, the DSHS Medical Assistance Administration will seek federal permission to require all adults who are not elderly or disabled to contribute \$10 per month toward the cost of their Medicaid coverage. Because a federal demonstration waiver will be required to implement this change, no savings are anticipated before the second year of the biennium. (Other Funds: General Fund-Federal)

12. Air Ambulance Rate Increase - Funding is provided to increase state payment rates for air ambulance services to a level more comparable to the percentage of billed charges paid for ground ambulance services, and by other states. (Other Funds: General Fund-Federal)

13. Balance Health Services Account - In order to maintain Basic Health Plan services to the extent possible within available revenues, funding for the Medically Indigent program is transferred from the Health Services Account to general fund-state. (Other Funds: Health Services Account)

1997-99 Budget
Dept of Social and Health Services
Vocational Rehabilitation
(Dollars in Thousands)

Wednesday, Apr. 16, 1997
11:20 am

	GF-S	Conference Total
1995-97 Estimated Expenditures	15,876	92,814
1997-99 Maintenance Level (ERL)	15,902	93,362
Policy Changes:		
1. General Inflation	-22	-150
2. Basic/Support Employment Grant	495	2,401
3. 1997-99 High School Graduates	869	4,077
Total Policy Changes	1,342	6,328
Total 1997-99 Biennium	17,244	99,690
Difference from 1995-97	1,368	6,876
% Change from 1995-97	8.6%	7.4%

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

2. Basic/Support Employment Grant - The agency estimates that federal revenues for the Basic Support Rehabilitation Services and the Supported Employment Program will increase by approximately 3 percent per year in 1997-99. This item provides the 21.3 percent state match which is needed if the state is to collect the increased federal funds. (Other Funds: General Fund-Federal)

3. 1997-99 High School Graduates - Funding is provided for the Division of Vocational Rehabilitation to provide job training and placement for approximately 65% of the 900 students with developmental disabilities who will graduate from high school in 1996 and 1997. Funding for other graduates, and ongoing support for all who require it, is provided in the Division of Developmental Disabilities budget. (Other Funds: General Fund-Federal)

1997-99 Budget
Dept of Social and Health Services
Administration/Support Svcs
(Dollars in Thousands)

Wednesday, Apr. 16, 1997
11:20 am

	GF-S	Conference	Total
1995-97 Estimated Expenditures	53,792		99,518
1997-99 Maintenance Level (ERL)	51,782		95,249
Policy Changes:			
1. License Suspension #	119		350
2. General Inflation	-287		-550
3. Administrative Reduction	-3,046		-5,859
4. Reduce Sexual Minority Initiative	-100		-100
5. Local Fraud Investigation Pilot	60		60
Total Policy Changes	-3,254		-6,099
Total 1997-99 Biennium	48,528		89,150
Difference from 1995-97	-5,264		-10,368
% Change from 1995-97	-9.8%		-10.4%

Comments:

1. License Suspension # - The Personal Responsibility and Work Opportunity Act of 1996 (federal welfare legislation) requires states to have laws providing for holding, suspending, or restricting the use of driver's, professional, occupational, and recreational licenses under specific circumstances in which child support is not paid. This item funds the license suspension provisions of EHB 3901 - Implementing Welfare Reform. (General Fund-State, General Fund-Federal)

2. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

3. Administrative Reduction - This item reduces the administrative functions in the agency. The Department may reduce administrative functions across its various programs to achieve this reduction, or may reduce the central administrative office budgets. (General Fund-State, General Fund-Federal)

4. Reduce Sexual Minority Initiative - This item eliminates funding for the Sexual Minority Initiative. The department is prohibited from spending any funds on the sexual minority initiative in the Office of Access and Equity.

5. Local Fraud Investigation Pilot - Funding is provided to create a pilot program to allow Pend Oreille County to investigate local public assistance fraud.

1997-99 Budget
Dept of Social and Health Services
Child Support Services
(Dollars in Thousands)

Wednesday, Apr. 16, 1997
11:20 am

	GF-S	Conference Total
1995-97 Estimated Expenditures	39,685	213,934
1997-99 Maintenance Level (ERL)	41,938	220,908
Policy Changes:		
1. State Directory of New Hires #	236	693
2. Paternity Establishment #	89	259
3. License Suspension #	474	1,255
4. General Inflation	-738	-2,170
Total Policy Changes	61	37
Total 1997-99 Biennium	41,999	220,945
Difference from 1995-97	2,314	7,011
% Change from 1995-97	5.8%	3.3%

Comments:

1. State Directory of New Hires # - Effective no later than October 1, 1998, all employers are required to furnish, within 20 days, new hire data to the State Directory of New Hires. Currently employers under six Standard Industrial Classification (SIC) codes report new hires. The Personal Responsibility and Work Opportunity Act of 1996 (federal welfare legislation) adds another 77 SIC codes. (General Fund-State, General Fund-Federal)

2. Paternity Establishment # - The Personal Responsibility and Work Opportunity Act of 1996 (federal welfare legislation) requires states to establish parentage for 90 percent of the children in their child support caseload effective October 1, 1999 (up from 75 percent). This item funds increased outreach to local hospitals. (General Fund-State, General Fund-Federal)

3. License Suspension # - The Personal Responsibility and Work Opportunity Act of 1996 (federal welfare legislation) requires states to have laws providing for holding, suspending, or restricting the use of driver's, professional, occupational, and recreational licenses under specific circumstances in which child support is not paid. This item funds the license suspension provisions of EHB 3901, Implementing Welfare Reform. (General Fund-State, General Fund-Federal)

4. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

1997-99 Budget
Dept of Social and Health Services
Payments to Other Agencies
(Dollars in Thousands)

Wednesday, Apr. 16, 1997
11:20 am

	GF-S	Conference Total
1995-97 Estimated Expenditures	42,648	59,335
1997-99 Maintenance Level (ERL)	48,640	66,408
Policy Changes:		
1. License Suspension #	612	1,798
2. General Inflation	-31	-50
3. Targeted Vendor Rate Increase	45,728	84,876
Total Policy Changes	46,309	86,624
Total 1997-99 Biennium	94,949	153,032
Difference from 1995-97	52,301	93,697
% Change from 1995-97	122.6%	157.9%

Comments:

1. License Suspension # - The Personal Responsibility and Work Opportunity Act of 1996 (federal welfare legislation) requires states to have laws providing for holding, suspending, or restricting the use of driver's, professional, occupational, and recreational licenses under specific circumstances in which child support is not paid. This item provides funding for the license suspension provisions in EHB 3901 - Implementing Welfare Reform (General Fund-State, General Fund-Federal)

2. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

3. Targeted Vendor Rate Increase - Funding is provided for vendor rate increases throughout DSHS. The department will target the vendor rate increases to more effectively deal with services where there is a lack of qualified suppliers. The amount included is equal to the cost of a 3% vendor rate increase effective July 1, 1997. (Other Funds: General Fund - Federal, Health Services Account - State, Violence Reductions and Drug Enforcement Account - State)

1997-99 Budget
Dept of Social and Health Services
Information System Services
(Dollars in Thousands)

Wednesday, Apr. 16, 1997
11:20 am

	GF-S	Conference	Total
1995-97 Estimated Expenditures	0		0
1997-99 Maintenance Level (ERL)	0		0
Total 1997-99 Biennium	0		0
Difference from 1995-97	0		0
% Change from 1995-97	0.0%		0.0%

Comments:

1997-99 Budget
Columbia River Gorge Commission
(Dollars in Thousands)

Wednesday, Apr. 16, 1997
11:20 am

	GF-S	Conference	Total
1995-97 Estimated Expenditures	593		1,131
1997-99 Maintenance Level (ERL)	605		1,155
Policy Changes:			
1. Grants to Gorge Counties	240		480
2. General Inflation	-4		-8
3. Operating Reduction	-406		-757
Total Policy Changes	-170		-285
Total 1997-99 Biennium	435		870
Difference from 1995-97	-158		-261
% Change from 1995-97	-26.6%		-23.1%

Comments:

1. Grants to Gorge Counties - This item provides financial assistance to each of the three Washington counties within the Scenic Area to carry out their responsibilities under the federal act. The Commission is directed to provide each county with an \$80,000 grant for the biennium.

2. General Inflation - Funding for inflation that was provided in the maintenance level budget is eliminated in the policy level budget.

3. Operating Reduction - Commission costs are reduced. Funds are shifted to the counties for administration and implementation of the Scenic Area Act.

1997-99 Budget
Department of Ecology
(Dollars in Thousands)

Wednesday, Apr. 16, 1997
11:20 am

	GF-S	Conference Total
1995-97 Estimated Expenditures	45,124	246,868
1997-99 Maintenance Level (ERL)	45,871	239,294
Policy Changes:		
1. State/Federal Relations	-50	-50
2. Administration Program Reductions	-808	-808
3. Reduced Project Coordination	-179	-179
4. Shoreline Assistance & Enforcement	-245	-490
5. Sediment Management	-89	-89
6. Reduce Bi-State Columbia River	0	-300
7. Staff Savings Shifted to Capital	0	-500
8. Water Resources Infrastructure	3,055	3,055
9. Local Watershed Planning	5,000	5,000
10. Other Water Legislation	875	875
11. Flood Control Assistance	1,000	1,850
12. Toxic Cleanups	0	2,202
13. Prevention and Clean Up of Litter	0	4,514
14. Intertanko Lawsuit	0	240
15. Office of Marine Safety Merger	0	80
16. Yakima Adjudication	274	0
17. Community Watershed Assistance	345	345
18. Solid Waste Permit Renewals #	0	-59
19. Puget Sound Action Plan	528	528
20. General Inflation	-179	-962
21. Programmatic Adjustments	0	-3,324
22. Landscape Management Plan Pilots	128	128
23. Grain Facility Air Inspections	0	-91
24. Environmental Excellence Program	0	247
25. Public Participation Grants	0	-555
26. License Suspension #	17	17
27. Biosolids Permit Program	0	356
Total Policy Changes	9,672	12,030
Total 1997-99 Biennium	55,543	251,324
Difference from 1995-97	10,419	4,456
% Change from 1995-97	23.1%	1.8%

Comments:

1. State/Federal Relations - A reduction is made to the state general fund support of the Nuclear Waste Management program. Sufficient funds remain to continue representing the state's interest when negotiating with the federal government on nuclear waste management issues.

2. Administration Program Reductions - General fund state support to the administration program is reduced by approximately 10 percent. Areas to be reduced include the fiscal office, employee services, telecommunications, graphic design, and the library.

3. Reduced Project Coordination - Staff responsible for issuing water quality certifications for construction projects, evaluating projects to determine consistency with the Coastal Zone Management Act, and coordinating permits will be reduced.

**1997-99 Budget
Department of Ecology**

4. Shoreline Assistance & Enforcement - A reduction is made to local government assistance for administering the Shoreline Management Act. In addition, there is a 50 percent reduction to shoreline enforcement activities. (General Fund -State, General Fund Federal)

5. Sediment Management - Reduces funding for the Sediment Management program. Efforts to reduce sediments in stormwater and establish cleanup standards for contaminated sediments are delayed. Funding is no longer provided for contracts to help establish freshwater sediment criteria, human health sediment quality criteria, and update current standards based on new scientific information.

6. Reduce Bi-State Columbia River - For several years the Department has participated with representatives from industry, local government, and the state of Oregon regarding the water quality problems of the Lower Columbia River. Now that the area has become part of the National Estuary Program these activities can be supported to a greater extent by federal funds. Sufficient state funding is maintained to match federal money for the program. (State Toxics Control Account)

7. Staff Savings Shifted to Capital - Referendum 26 was adopted by a vote of the people in 1972 and authorized \$225 million in bonds for waste management and water pollution control facilities. Given that the majority of these funds have been spent and grant projects completed, staff can be phased out. Therefore, administrative funding for this program is provided for fiscal year 1998 only. (Referendum 26)

8. Water Resources Infrastructure - Funding is provided for the Department to process water right applications, continue the development of the water resources data management system, and provide technical assistance to local watershed planning efforts.

9. Local Watershed Planning - Funding is provided for the development of local watershed plans consistent with 2SHB 2054 (water resource management). Once a planning group has been organized, it may apply to the Department for funding assistance. Assistance is provided on a first come, first serve basis to the extent of the appropriation. Preference is given to planning units that are planning for more than one Water Resource Inventory Area.

10. Other Water Legislation - Funding is provided to implement ESHB 1111 (Water rights), SHB 1118 (Water rights claim filing), SSB 5030 (lake water irrigation), SSB 5276 (water right applications), SSB 5505 (assist water applicants), and SSB 5785 (consolidate ground water rights).

11. Flood Control Assistance - The five year coastal erosion study started in the 1995-97 Biennium is continued. The study involves local, state and federal entities in an effort to gather data that will help predict, plan, and possibly prevent coastal erosion emergencies. The United State Geologic Survey is participating in the study and is expected to contribute an equal amount of financial support. Also, reappropriations are made for flood related projects initiated during the 1995-97 biennium but not completed. Uncompleted projects include the Skokomish Valley Flood Reduction plan in Mason County and dike and levee repair projects needed as a result of the November 1995 and February 1996 flood events.

12. Toxic Cleanups - Funding is provided to implement the recommendations of the Model Toxics Control Act Policy Advisory Committee. Ecology will recover approximately \$2 million through enhanced technical assistance to owners of contaminated sites. The recommendations include: implementing a site-specific risk assessment to modify the cleanup process to allow more flexibility; increasing technical assistance to sites volunteering to clean up; allowing prospective purchaser agreements to facilitate the development and transfer of contaminated facilities; and providing additional opportunities for communities to be involved in making clean up decisions. (State Toxics Control Account, Local Toxics Control Account)

13. Prevention and Clean Up of Litter - Funding is provided for the Department of Ecology's Solid Waste program for fiscal year 1998 to increase litter prevention and control efforts. Funding for fiscal year 1999 is contingent upon the passage of Second Substitute Senate Bill 5842. The bill establishes a task force to make recommendations regarding appropriate funding levels for the future and how to best deliver litter pick up services. The 1998 Legislature is expected to direct how the funds are to be spent in fiscal year 1999 based upon the task force recommendations. (Waste Reduction, Recycling and Litter Control Account)

14. Intertanko Lawsuit - Increased attorney general services and expert witness costs are required for the appeal of the District Court's decision on the Intertanko lawsuit. (Oil Spill Administration Account)

**1997-99 Budget
Department of Ecology**

15. Office of Marine Safety Merger - One-time funding is provided to address moving costs associated with the merger of the Office of Marine Safety into the Department of Ecology. (Oil Spill Administration Account)

16. Yakima Adjudication - A technical adjustment is made to carry-forward funding that was provided in the 1996 Supplemental budget for the Yakima Adjudication.

17. Community Watershed Assistance - Funding is provided to support the local watershed planning efforts established in 2SHB 2054 (Local watershed planning).

18. Solid Waste Permit Renewals # - The Department of Ecology has proposed legislation that would enable local health departments to renew solid waste management facility permits every five years, rather than the current mandate for annual renewal. This change will result in administrative savings. (Waste Reduction, Recycling, and Litter Control Account)

19. Puget Sound Action Plan - Funding is provided to expand the water quality monitoring effort in Puget Sound and to restore degraded wetlands through a watershed based wetland restoration program. This is a component of the Puget Sound Water Quality Action Plan.

20. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

21. Programmatic Adjustments - Several of DOE's dedicated fund programs will experience reductions as a result of increased operating costs that are not supported by a corresponding increase in revenue growth. For example, decreases are made to funds which support tire pile cleanup, air quality, fresh water weeds, toxics cleanups, and flood control assistance. This is offset by an increase in administrative funding for the federal water quality loan program to reflect available state and federal dollars. (General Fund-Private/Local, Flood Control Assistance Account, Vehicle Tire Recycling Account, Wood Stove Education and Enforcement Account, State Toxics Control Account, Air Pollution Control Account, Air Operating Permit Account, Freshwater Aquatic Weeds Account, Metals Mining Account Water Pollution Control Revolving)

22. Landscape Management Plan Pilots - Funding is provided to implement five landscape management pilot projects as an alternative to issuing forest practice permits. The pilot projects are authorized in Substitute House Bill 1985. The Departments of Fish and Wildlife and Natural Resources will assist in the pilot projects.

23. Grain Facility Air Inspections - Funding is reduced for air quality work associated with small grain facilities based on Substitute House Bill 1033 (grain facility clean air req). Under the provisions of the bill, grain handling facilities that handle less than 10 million bushels of grain annually no longer have to re-register with the Department's air quality program each year.

24. Environmental Excellence Program - Funding is provided to implement Engrossed Second Substitute House Bill 1866 (Environmental excellence). Under provisions of the bill, project proponents may enter into environmental agreements with state agencies which are intended to allow the regulated entity more flexibility in reaching environmental results. The program is designed to be self-supporting. State agencies may assess a fee to cover the cost of processing environmental agreement proposals.

25. Public Participation Grants - Funding for public participation grants is transferred to the Department of Community Trade and Economic Development.

26. License Suspension # - The Personal Responsibility and Work Opportunity Act of 1996 (federal welfare legislation) requires states to have laws providing for holding, suspending, or restricting the use of driver's, professional, occupational, and recreational licenses under specific circumstances in which child support is not paid. Funding is provided for the additional workload associated with the license suspension.

27. Biosolids Permit Program - Appropriation authority is provided for implementation of a new biosolids permitting program, as provided in Engrossed Senate Bill 5590 (biosolids management program). (Biosolids Permit Account)

1997-99 Budget
WA Pollution Liab Insurance Program
(Dollars in Thousands)

Wednesday, Apr. 16, 1997
11:20 am

	GF-S	Conference	Total
1995-97 Estimated Expenditures	0		2,450
1997-99 Maintenance Level (ERL)	0		1,958
Policy Changes:			
1. Technical Assistance Program #	0		104
2. General Inflation	0		-8
Total Policy Changes	0		96
Total 1997-99 Biennium	0		2,054
Difference from 1995-97	0		-396
% Change from 1995-97	0.0%		-16.2%

Comments:

1. Technical Assistance Program # - Departmental request legislation would authorize the agency to offer technical assistance to owners and operators of heating oil tanks. The staff and funding for this technical assistance program are provided contingent upon the passage of the legislation (SSB 5010).

2. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

1997-99 Budget
State Parks and Recreation Comm
(Dollars in Thousands)

Wednesday, Apr. 16, 1997
11:20 am

	GF-S	Conference Total
1995-97 Estimated Expenditures	37,795	68,014
1997-99 Maintenance Level (ERL)	40,775	70,646
Policy Changes:		
1. Retrospective Rating Refund	0	10
2. 1997-99 COP Project Impact	0	150
3. Boating Safety	0	480
4. Snowmobile/Sno-Park Grooming	0	692
5. General Inflation	-209	-359
6. Dedicated Projects	0	500
7. Offset Revenue Shortfall	1,000	1,000
8. Underwater Parks	250	250
9. Feasibility Study	45	45
10. Interpretive Materials	0	158
Total Policy Changes	1,086	2,926
Total 1997-99 Biennium	41,861	73,572
Difference from 1995-97	4,066	5,558
% Change from 1995-97	10.8%	8.2%

Comments:

1. Retrospective Rating Refund - The Department of Labor and Industries retrospective rating refund will be used to enhance safety programs in the agency. (Industrial Insurance Premium Refund Account)

2. 1997-99 COP Project Impact - In the 1995-97 Biennium, State Parks was authorized to pursue \$600,000 in Certificate of Participation (COP) projects. These projects make investments in park facilities which generate additional revenue. A total of \$2 million in new COP projects is included in the capital budget. Work will be completed at Cama Beach, Ocean City, Grayland Beach, and other parks statewide. Funding is provided for debt service and additional staff for the projects completed in the 1997-99 Biennium. (Parks Renewal and Stewardship Account)

3. Boating Safety - The Federal Fiscal Year 1997 budget provides a \$15 million increase in boating safety funds distributed to the states. Appropriation authority is provided to spend this additional federal money on boating safety activities and grants. (General Fund-Federal)

4. Snowmobile/Sno-Park Grooming - Chapter 164, Laws of 1996 (Engrossed Senate Bill 6566) increased snowmobile registration fees. These additional revenues are appropriated to purchase additional snow grooming equipment and to increase grooming of snowmobile trails. Additional funding is also provided for increased grooming of cross country ski trails at state sno-parks. (Winter Recreation Program Account, Snowmobile Account)

5. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

6. Dedicated Projects - Additional appropriation authority is provided to complete projects funded through dedicated donations. (Parks Renewal and Stewardship Account)

7. Offset Revenue Shortfall - In order to avoid park closures, one-time funding is provided to offset the projected shortfall in revenues to the Parks Renewal and Stewardship Account (PRSA). PRSA revenues are expected to replace this one-time funding in the 1999-01 biennium.

1997-99 Budget
State Parks and Recreation Comm

8. Underwater Parks - Funding is provided to support the development of an underwater parks program. Specific plans will be developed in conjunction with the Underwater Parks Task Force facilitated by State Parks.

9. Feasibility Study - Funding is provided for a feasibility study regarding the use of county, private, and state lands in the area of Square Lake for low intensity recreation.

10. Interpretive Materials - Funding is provided to acquire additional interpretive materials for sale at state parks. (Parks Improvement Account, Parks Renewal and Stewardship Account)

1997-99 Budget
Interagency Comm for Outdoor Rec
(Dollars in Thousands)

Wednesday, Apr. 16, 1997
11:20 am

	GF-S	Conference	Total
1995-97 Estimated Expenditures	0		3,317
1997-99 Maintenance Level (ERL)	0		2,780
Policy Changes:			
1. Recreation Accessibility Specialist	0		68
2. PRISM Data System Enhancement	0		150
3. General Inflation	0		-10
Total Policy Changes	0		208
Total 1997-99 Biennium	0		2,988
Difference from 1995-97	0		-329
% Change from 1995-97	0.0%		-9.9%

Comments:

1. Recreation Accessibility Specialist - Funding is provided for a recreation accessibility specialist to train and advise state, federal, tribal, and local agencies on the design and operation of recreation facilities to meet barrier-free access issues associated with the Americans with Disabilities Act (ADA). In addition to training agencies, this position will continue to develop a state database of barrier-free recreation facilities. (Recreation Resources Account-State)

2. PRISM Data System Enhancement - Additional funding is provided to implement the second and final phase of the IAC's Project Information System (PRISM). Specific work will include automating remaining segments for document imaging, transmission of data to the state accounting system, on-line invoicing, archiving of data, and connecting to the Internet. (Recreation Resources Account-State)

3. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

1997-99 Budget
Environmental Hearings Office
(Dollars in Thousands)

Wednesday, Apr. 16, 1997
11:20 am

	GF-S	Conference	Total
1995-97 Estimated Expenditures	1,473		1,473
1997-99 Maintenance Level (ERL)	1,548		1,548
Policy Changes:			
1. Internet Access	5		5
2. Forest Practices Appeals Board #	8		8
3. General Inflation	-8		-8
Total Policy Changes	5		5
Total 1997-99 Biennium	1,553		1,553
Difference from 1995-97	80		80
% Change from 1995-97	5.4%		5.4%

Comments:

1. Internet Access - Funding is provided for equipment required for Internet access. Ongoing costs for the Internet connection will be absorbed from savings in postage and travel costs.

2. Forest Practices Appeals Board # - In recognition of the increased workload of the Forest Practices Appeals Board, SSB 5119 proposes to reclassify the Board for purposes of per diem compensation for its part-time members. The legislation would increase per diem compensation from \$50 per day to \$100 per day for each of the Board's three members.

3. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

1997-99 Budget
State Conservation Commission
(Dollars in Thousands)

Wednesday, Apr. 16, 1997
11:20 am

	GF-S	Conference	Total
1995-97 Estimated Expenditures	1,668		1,995
1997-99 Maintenance Level (ERL)	1,707		2,147
Policy Changes:			
1. Administrative Reductions	-20		-20
2. General Inflation	-9		-9
Total Policy Changes	-29		-29
Total 1997-99 Biennium	1,678		2,118
Difference from 1995-97	10		123
% Change from 1995-97	0.6%		6.2%

Comments:

- 1. Administrative Reductions** - Reductions are made in travel and the agency's legal support costs.
- 2. General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

1997-99 Budget
Dept of Fish and Wildlife
(Dollars in Thousands)

Wednesday, Apr. 16, 1997
11:20 am

	GF-S	Conference Total
1995-97 Estimated Expenditures	68,947	216,563
1997-99 Maintenance Level (ERL)	69,276	248,900
Policy Changes:		
1. Habitat Partnerships	1,000	1,000
2. Warm Water Game Fish Enhancement	0	-560
3. Retrospective Rating Refund	0	120
4. Dam Maintenance and Safety	343	343
5. Wildlands Stewardship	300	300
6. Wild Salmon Management	1,657	1,657
7. Puget Sound Work Plan	830	830
8. General Inflation	-753	-2,479
9. Landscape Management Plan Pilots	457	457
10. Winter Feeding	0	1,000
11. Environmental Excellence	0	20
12. License Suspension #	33	33
13. Data Entry Savings	-400	-400
14. Fisheries Management	-922	-922
15. Hatchery ESA Reprogramming	-270	-270
16. Rules Officer	-260	-260
17. HPA Efficiencies	-200	-200
18. License System	387	687
19. Mass Marking Implementation	700	700
20. Problem Wildlife Enforcement	640	1,000
21. Interpretive Center	50	50
22. Administrative Reductions	-332	-332
23. Warmwater Gamefish	-250	-250
24. Aircraft Reductions	-100	-100
25. Hatcheries Administration	-300	-300
26. Engineering Staff	0	-240
27. Consolidate Public Affairs	-120	-240
28. Remote Site Incubators (SB 5120)	393	393
29. Flood Control Permitting (SB 5442)	266	266
30. Eastern WA Pheasant Program	0	547
31. Fisheries Enhancement (SB 5102)	0	156
32. Animal Damage Control	195	195
33. Regional Fisheries Groups (SB 5886)	0	105
34. Grants to Regional Groups	0	100
Total Policy Changes	3,344	3,406
Total 1997-99 Biennium	72,620	252,306
Difference from 1995-97	3,673	35,743
% Change from 1995-97	5.3%	16.5%

Comments:

1. Habitat Partnerships - The Habitat Partnerships program was funded in the 1995-97 biennium with \$1.8 million in one-time federal funding. For the 1997-99 biennium, the program is continued at the \$1 million level using general fund-state support.

2. Warm Water Game Fish Enhancement - Funds are transferred to the capital budget for warmwater fishing access site development. (Warmwater Game Fish Account).

1997-99 Budget Dept of Fish and Wildlife

3. Retrospective Rating Refund - The Department of Labor and Industries retrospective rating refund will be used to enhance safety programs at the Department of Fish and Wildlife (WDFW). Activities will include safety equipment purchases. (Industrial Insurance Premium Refund Account)

4. Dam Maintenance and Safety - WDFW owns and operates 54 earthen dams which are currently out of compliance with state inspection and maintenance regulations. These dams are used primarily for habitat improvements and hatchery operations. Funding is provided for staff to inspect these dams and to begin required maintenance. The Department will also complete an evaluation on the need for these dams and report whether they should continue to be maintained or decommissioned.

5. Wildlands Stewardship - Funding is provided for two new Washington Conservation Corps crews to perform maintenance and restoration work on department-owned lands.

6. Wild Salmon Management - The National Marine Fisheries Service has proposed listing additional chinook, coho and steelhead in Washington as threatened or endangered. Staff are provided to cope with the additional federal permits, research, and consultations that these listings will require. Funding is also provided for the department to review hatchery operations and to conduct genetic stock identification research. In addition, an egg-take program will be established for Dungeness Pink Salmon.

7. Puget Sound Work Plan - Funding is provided to implement key actions identified in the Puget Sound Work Plan. Technical assistance is provided to local watershed planning efforts regarding water and sediment quality, wetlands, and habitat management.

8. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

9. Landscape Management Plan Pilots - Funding is provided to implement five landscape management pilot projects as an alternative to issuing forest practice permits. The pilot projects are authorized in Substitute House Bill 1985 (landscape management plans). The Department of Natural Resources and Ecology will assist in the pilot projects.

10. Winter Feeding - Appropriation authority is provided to the Wildlife Account for up to \$1 million to be used for emergency feeding of deer and elk in the winter of 1997-98. The appropriation is supported by a variety of possible fees, donations, or the sale of surplus property as authorized in Substitute House Bill 1478 (wildlife winter feeding).

11. Environmental Excellence - Appropriation authority is provided for the department to implement Engrossed Second Substitute House Bill 1866 (environmental excellence) for hydraulic project approval applicants.

12. License Suspension # - The Personal Responsibility and Work Opportunity Act of 1996 (federal welfare legislation) requires states to have laws providing for holding, suspending, or restricting the use of drivers, professional, occupational, and recreational licenses under specific circumstances in which child support is not paid. Funding is provided for the additional workload associated with the license suspension.

13. Data Entry Savings - Positions providing data entry services for biological information will be eliminated. This information will now be entered through scanner technology. Account and time sheet data entry costs will be absorbed by the programs.

14. Fisheries Management - Funding is reduced for activities related to shellfish management, halibut and sturgeon catch sampling, steelhead surveys, and other monitoring programs.

15. Hatchery ESA Reprogramming - Reductions are made in hatchery production of coho at selected facilities. The Shale Creek hatchery will be closed and production reductions will occur at Kendall Creek and at the Sol Duc complex. In addition, the complexing of hatchery facilities has resulted in savings related to equipment expenditures.

16. Rules Officer - The agency's centralized rules officer will be eliminated. Rule adoption work will be absorbed by agency programs.

**1997-99 Budget
Dept of Fish and Wildlife**

17. HPA Efficiencies - Funding is reduced to the hydraulic permit program assuming efficiencies can be made in the permit process.

18. License System - Funding is provided for the design and development of an automated recreational license sales system. As a part of the design phase, a recreational license database will be created and scoping requirements for the system will be determined. (Wildlife Fund-State)

19. Mass Marking Implementation - Funding is provided for purchase of monitoring equipment to fully implement mass marking of coho salmon.

20. Problem Wildlife Enforcement - This item provides funding for additional enforcement officers to address problem wildlife. The item also includes \$300,000 for the department to contract with the US Department of Agriculture for animal damage control services throughout the state. (Wildlife Fund-State)

21. Interpretive Center - Funding is provided for staffing and operation of the Tenant Lake Interpretive Center.

22. Administrative Reductions - This item reduces agency administrative support by 2 FTEs.

23. Warmwater Gamefish - Legislation enacted in 1996 (Chapter 222, Laws of 1996) creates a dedicated fund source for the Warmwater Gamefish program which is expected to generate \$2.4 million in revenue for the program during the 1997-99 biennium. General Fund-State start-up funding is eliminated. The federal and Wildlife Account funds in the base budget are maintained.

24. Aircraft Reductions - Savings are achieved by selling one of the Department's six airplanes. Flight logs indicate that the Cessna 421 is not used as much as the other aircraft and has had mechanical problems. Ongoing operational savings are estimated to be \$100,000 per biennium. Proceeds from the sale of the plane are redirected into the Wildlife Account to support other priority programs of the Department.

25. Hatcheries Administration - Reductions are made in hatcheries administration, including assessment and development activities and facilities support.

26. Engineering Staff - Reductions are made in engineering staff supported by funds in the department's operating budget. (Wildlife Fund-State)

27. Consolidate Public Affairs - Savings are assumed from consolidating public affairs and outreach and education activities within the agency. (Wildlife Fund-State)

28. Remote Site Incubators (SB 5120) - Funding is provided for implementation of SSB 5120 (Remote Site Incubators).

29. Flood Control Permitting (SB 5442) - Funding is provided for implementation of SSB 5442 (Flood Control Permitting).

30. Eastern WA Pheasant Program - With passage of SSB 5104, new funds will be available for pheasant enhancement programs in eastern Washington. Appropriation authority is provided so that the department may begin implementing the program in the 1997-99 biennium. (Eastern Washington Pheasant Enhancement Account)

31. Fisheries Enhancement (SB 5102) - SSB 5102 extends the recreational fisheries surcharge to 3-day licenses. Revenue from the surcharge is dedicated to recreational fisheries enhancement programs. (Recreational Fisheries Enhancement Account)

32. Animal Damage Control - Funding is provided for the department's animal damage control program for the Dusky Canadian Goose population of the Lower Columbia River region.

1997-99 Budget
Dept of Fish and Wildlife

33. Regional Fisheries Groups (SB 5886) - SSB 5886 extends the regional fisheries enhancement surcharge to steelhead licenses and fishing guide licenses. Revenue from the surcharge is dedicated to regional fisheries enhancement programs. (Regional Fisheries Enhancement Account)

34. Grants to Regional Groups - Additional funding is provided from the Aquatic Lands Enhancement Account to support the work of the the regional fisheries enhancement groups. (Aquatic Lands Enhancement Account).

1997-99 Budget
Department of Natural Resources
(Dollars in Thousands)

Wednesday, Apr. 16, 1997
11:20 am

	GF-S	Conference Total
1995-97 Estimated Expenditures	41,786	233,526
1997-99 Maintenance Level (ERL)	48,387	227,257
Policy Changes:		
1. Fire Protection	2,700	-927
2. Geology and Mining Support	0	139
3. Natural Areas	975	0
4. Additional Timber Sales	0	8,926
5. Silvicultural Investments	0	6,404
6. Public Use and Recreation	0	506
7. Photo and Map Activities	0	875
8. Five percent reductions	-1,573	-1,573
9. General Inflation	-269	-1,494
10. Eagle Harbor Settlement	0	2,300
11. Burning Permits	0	-16
12. Landscape Management Plan Pilots	415	415
Total Policy Changes	2,248	15,555
Total 1997-99 Biennium	50,635	242,812
Difference from 1995-97	8,849	9,286
% Change from 1995-97	21.2%	4.0%

Comments:

1. Fire Protection - Additional general fund state support is provided for the department's fire protection program in the 1997-99 biennium. (Forest Fire Protection Assessment Account)

2. Geology and Mining Support - The Department of Natural Resources monitors surface and metal mines in the state. Additional funding is provided to meet increased workload for these activities. This work will reduce the backlog in surface mining permit applications, improve technical and educational assistance and allow the regulation of one additional metal mine. (Surface Mining Reclamation Account, Metals Mining Account)

3. Natural Areas - For the last several biennia, the operation and maintenance of DNR's Natural Area Preserves and Natural Resource Conservation Areas, along with a portion of the Natural Heritage Program, have been funded through one-time revenue from an expired real estate excise tax. This funding is no longer available. Funding to continue the current level of operations is transferred to the general fund.

4. Additional Timber Sales - In recent years the workload associated with the preparation of timber sales has increased. This package provides staff necessary to maintain timber sales at the current level of 600 million board feet (MBF). Without this support the DNR timber sales will be reduced by 40 MBF each fiscal year. Additional staff is also provided to prepare timber sales for Fiscal Year 1999 necessary to meet the Board of Natural Resources new annual sustained yield harvest level of 655 MBF. (Resource Management Cost Account, Forest Development Account)

5. Silvicultural Investments - Funding is provided for additional pre-commercial thinning, fertilization, and pruning on forest board lands. (Resource Management Cost Account, Forest Development Account)

1997-99 Budget
Department of Natural Resources

6. Public Use and Recreation - State trustlands are receiving increased recreation use. Funding is provided to increase the maintenance of trails and recreation sites, to monitor their use through an ongoing survey process and to hire four region volunteer coordinators to recruit, organize and supervise volunteer activities on state lands. (Forest Development Account, Off Road Vehicle Account)

7. Photo and Map Activities - Funding is provided to replace and upgrade DNR mapping equipment, to acquire additional aerial photography, and to produce additional geographic materials for sale. The agency will also make a one time expenditure to automate the distribution of geographic materials. DNR will increase scanning and indexing of survey records obtained through cooperative agreements with counties. (Surveys and Maps Account, Resource Management Cost Account, Forest Development Account)

8. Five percent reductions - This item assumes a five percent reduction in general fund-state supported programs throughout the department, except for the fire program. In implementing this reduction, the department shall not reduce expenditures authorized in the 1997-99 biennium for fire protection and fire suppression activities.

9. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

10. Eagle Harbor Settlement - The Department of Natural Resources (DNR), the Department of Ecology and the Department of Transportation anticipate reaching a court settlement for clean-up of Eagle Harbor on Bainbridge Island. Funding is provided for DNR's costs for this settlement. (Aquatic Lands Enhancement Account)

11. Burning Permits - Funding for the burning permit and regulation program is reduced to reflect revenues to the Air Pollution Control Account. (Air Pollution Control Account).

12. Landscape Management Plan Pilots - Funding is provided to implement five landscape management pilot projects as an alternative to issuing individual forest practice permits. The pilot projects are authorized in Substitute House Bill 1985 (landscape management plans). The Department of Fish and Wildlife and the Department of Ecology will assist in the pilot projects.

1997-99 Budget
Department of Agriculture
(Dollars in Thousands)

Wednesday, Apr. 16, 1997
11:20 am

	GF-S	Conference Total
1995-97 Estimated Expenditures	14,746	77,826
1997-99 Maintenance Level (ERL)	13,936	76,158
Policy Changes:		
1. Retrospective Rating Refund	0	184
2. Computer Services Staffing	0	312
3. Pesticide Registration #	0	996
4. State Toxics Revenue Shortfall	0	-23
5. Asian Gypsy Moth	461	821
6. General Inflation	-94	-411
7. Entomologists	276	276
8. Integrated Pest Management	25	25
Total Policy Changes	668	2,180
Total 1997-99 Biennium	14,604	78,338
Difference from 1995-97	-142	512
% Change from 1995-97	-1.0%	0.7%

Comments:

1. Retrospective Rating Refund - The Department of Labor and Industries retrospective rating refund is appropriated to continue the Department of Agriculture (WSDA) safety program. The safety program is coordinated with the Department of Labor and Industries and includes safety training for potentially hostile or dangerous situations in the field, and the acquisition of safety equipment for field and laboratory staff. (Industrial Insurance Premium Refund Account)

2. Computer Services Staffing - WSDA's information services section is responsible for supporting 25 departmental programs. Three computer information consultants are provided to allow grain, food, and pesticide inspectors to rapidly track and access information on samples and inspections needed for regulatory activities and inspection services. (Agriculture Local Account, Horticultural Districts Account, Grain and Hay Inspection Revolving Account)

3. Pesticide Registration # - Funding is provided to support four additional positions enabling the Pesticide Management program to respond to increased workloads. As authorized by Substitute House Bill 1527 (pesticides registration), \$656,000 from increased fees and \$340,000 from the State Toxics Control Account will support this activity. (Agricultural Local Account- Non appropriated, State Toxics Control Account)

4. State Toxics Revenue Shortfall - The Agricultural Waste Pesticide Disposal program will be reduced to manage within available revenues in the State Toxics Control Account. (State Toxics Control Account)

5. Asian Gypsy Moth - Funding is provided to spray to control asian gypsy moths in the West Seattle area and continue trapping efforts to detect and prevent future problems.

6. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

7. Entomologists - Funding is provided to support two additional entomologist positions in the plant protection program to address on-going pest problems.

8. Integrated Pest Management - Funds are provided for implementation of SB 5077 (Integrated Pest Management).

1997-99 Budget
Washington State Patrol
(Dollars in Thousands)

Wednesday, Apr. 16, 1997
11:20 am

	GF-S	Conference	Total
1995-97 Estimated Expenditures	19,837		41,016
1997-99 Maintenance Level (ERL)	15,763		33,387
Policy Changes:			
1. Reengineer Boarding Home Inspection	-146		-146
2. Additional Crime Scene/Lab FTEs	0		430
3. Fire Training Replacement Equipment	110		110
4. Savings in Acquisition Costs	-61		-61
5. Adjustment in Support Costs	-11		-11
6. Automate Background Checks	0		254
7. Drug Task Force Grant Match	0		360
8. General Inflation	-93		-198
9. Criminal Identity Reengineering	0		1,260
10. Crime Database Redesign	0		1,476
11. Incident-based Investigation Tools	0		264
Total Policy Changes	-201		3,738
Total 1997-99 Biennium	15,562		37,125
Difference from 1995-97	-4,275		-3,891
% Change from 1995-97	-21.6%		-9.5%

Comments:

1. Reengineer Boarding Home Inspection - Savings are generated by converting existing contracts for inspection of boarding homes into funding for two inspectors with the Fire Protection Bureau. This item also eliminates .8 FTE of a standards and accreditation position.

2. Additional Crime Scene/Lab FTEs - This item provides funding for two additional DNA databank technicians, one firearms analyst, and two investigators to support a Crime Scene Response Team. (Municipal Criminal Justice Account-State, County Criminal Justice Account-State)

3. Fire Training Replacement Equipment - Provides funding for a used snow plow, forklift, tractor/mower and miscellaneous maintenance equipment to keep the fire training academy operational.

4. Savings in Acquisition Costs - This item captures savings in the purchase of equipment.

5. Adjustment in Support Costs - This item reduces spending for publications, travel and administration.

6. Automate Background Checks - Funding is provided for a computer system that will allow the private sector to check criminal history records from remote locations by computer or phone for non-criminal purposes. These purposes may include pre-employment background checks and instant checks for firearm purchases. A report to the Office of Financial Management and Department of Information Services regarding implementation plans must be approved before expending this appropriation. (Fingerprint Identification Account-State)

7. Drug Task Force Grant Match - This item provides the 25 percent state match for the federal Bureau of Justice Assistance grant for narcotic enforcement efforts. (Federal Seizure Account-Federal)

1997-99 Budget
Washington State Patrol

8. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

9. Criminal Identity Reengineering - Continuation funding (Type 3) for the Washington State Identification System (WASIS) reengineering project is provided. The WASIS reengineering project will enable the automated input of Judgement and Sentence (conviction) information and other disposition information from the courts. The reengineered WASIS also will support new federal reporting requirements, new statewide telecommunication standards, and links to the Washington Crime Information Center. (General Fund-Federal)

10. Crime Database Redesign - Provides funding for construction (Type 2) for the Washington Crime Information Center (WACIC) reengineering project. The WACIC reengineering project will support several needed improvements to the state's crime hot files: electronic entry of warrants and court orders; reporting of multiple warrant and court orders; compliance with federal reporting requirements; and links to the Washington State Identification System. (General Fund-Federal)

11. Incident-based Investigation Tools - Funding is provided for a feasibility study to develop a criminal investigation computer system. The study will report on the feasibility of developing a system that uses as its foundation incident-based reporting (IBR) consistent with FBI standards. The system will have the capability of connecting with local law enforcement jurisdictions as well as fire protection agencies conducting arson investigations. The study will report on the system requirements for incorporating case management, intelligence data, imaging and geographic information. The system will also provide links to existing crime information databases such as WASIS and WACIC. (General Fund-Federal)

1997-99 Budget
Department of Licensing
(Dollars in Thousands)

Wednesday, Apr. 16, 1997
11:20 am

	GF-S	Conference	Total
1995-97 Estimated Expenditures	8,950		31,173
1997-99 Maintenance Level (ERL)	8,495		31,493
Policy Changes:			
1. Uniform Commercial Code Reduction	0		-692
2. Master License System Pilot	0		97
3. Master License System PC Upgrades	0		77
4. Boxing/Wrestling Legislation #	43		43
5. Asset Management Coordinator	8		26
6. Engineer Compliance Officer	0		86
7. Regional Engineer Exam Reviews	0		16
8. Camera Replacement	5		5
9. Appraiser Program Law Judge	12		12
10. Engineer Licensing Information	0		13
11. General Inflation	-55		-150
12. License Suspension #	32		114
13. Engineer/Surveyor Legislation #	0		17
14. Reduce Security Guard Programs	-120		-120
15. Reduce Equipment and DP costs	-22		-22
16. White Water River Rafter Regulation	0		40
17. Cosmetology Advisory Board	110		110
18. Cosmetology Inspections	424		424
19. Vessel Registration Exemptions	13		13
20. UCC Financial Statements Filing	0		74
Total Policy Changes	450		183
Total 1997-99 Biennium	8,945		31,676
Difference from 1995-97	-5		503
% Change from 1995-97	-0.1%		1.6%

Comments:

1. Uniform Commercial Code Reduction - Funding is reduced in order to meet available revenues. (Uniform Commercial Code-State)

2. Master License System Pilot - Funding is provided to continue and expand the use of the Master Licensing System to include city licenses. (Master License Account-State)

3. Master License System PC Upgrades - Funds the replacement of 22 personal computers and associated software. (Master License Account-State)

4. Boxing/Wrestling Legislation # - Provides funding for the implementation of SB 5754 (boxing, martial arts, wrestling).

5. Asset Management Coordinator - Funding is provided for an asset manager coordinator to control agency physical and software inventory. (General Fund-State, Highway Safety Fund-State, Motor Vehicle Account-State, and other professional licensing accounts)

6. Engineer Compliance Officer - Funds an additional compliance officer to improve professional engineers and land surveyors' compliance with disciplinary orders. (Professional Engineers Account-State)

1997-99 Budget
Department of Licensing

- 7. Regional Engineer Exam Reviews** - Funds examination sites in three locations outside of Olympia. (Professional Engineers Account-State)
- 8. Camera Replacement** - Funding is provided to replace three microfilm cameras used to film documents as part of the vehicle and vessel licensing and titling process. (Motor Vehicle Fund-State, General Fund-State)
- 9. Appraiser Program Law Judge** - Funds an additional administrative law judge to address increasing violations of the Real Estate Appraiser Act.
- 10. Engineer Licensing Information** - Provides funding for the inclusion of professional engineer and land surveyor licensing and regulatory information on the World Wide Web. (Professional Engineers Account-State)
- 11. General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
- 12. License Suspension #** - The Washington Workfirst program provides for holding, suspending, or restricting the use of driver's, professional, occupational, and recreational licenses under specific circumstances in which child support is not paid. Funding is included for the additional workload associated with the license suspension. (General Fund-State, Architects' License Account-State, Master License Account-State, Professional Engineers Account-State, Real Estate Commission Account-State, and Funeral Directors and Embalmers Account-State)
- 13. Engineer/Surveyor Legislation #** - Provides funding for "pro tem" or temporary board members to serve on committees or formal disciplinary hearing panels, printing of pamphlets, letters and other publications and attorney general support for amending existing rules pursuant to SB 5266. (Professional Engineers-State)
- 14. Reduce Security Guard Programs** - Expenditures are reduced to match available licensing revenues.
- 15. Reduce Equipment and DP costs** - Funding is reduced for data processing costs, out-of-state travel, and equipment.
- 16. White Water River Rafter Regulation** - Funding is provided to establish the certification, licensing and regulation of white water river craft operators as required by SHB 1493 or SSB 5483 (white water river outfitters). (Master License Account)
- 17. Cosmetology Advisory Board** - This item provides funding for SB 5998, which reauthorizes the Cosmetology Advisory Board for an additional year.
- 18. Cosmetology Inspections** - Funds the implementation of SB 5997 (cosmetology inspections). The department is to conduct additional inspections of cosmetology, barbering, esthetics and manicuring schools, salons or shops.
- 19. Vessel Registration Exemptions** - Funding is provided for the implementation of SSB 5513 or HB 1748 which modifies provisions relating to vessel registration.
- 20. UCC Financial Statements Filing** - Provides funding for administrative costs associated with ESB 5163 which changes provisions related to uniform commercial filings. (Uniform Commercial Code Account)

1997-99 Budget
Public Schools
OSPI & Statewide Programs
(Dollars in Thousands)

	GF-S	Conference	Total
1995-97 Estimated Expenditures	56,826		105,374
1997-99 Maintenance Level (ERL)	37,771		95,501
Policy Changes:			
1. K-12 Technology	10,000		39,312
2. OSPI Information System Support	500		500
3. Teen Aware Fund Shift	400		800
4. Truancy Board Funding	-2,000		-2,000
5. School Audit Resolution #	100		100
6. Alternative Education Programs	1,000		1,000
7. FCC Licensing Assistance	15		15
8. Voc Ag Teacher Recruitment	35		35
9. Education Centers	100		100
10. School Business Efficiency Studies	50		50
11. Eliminate Complex Needs	-4,370		-4,370
12. Eliminate Magnet Schools	-3,095		-3,095
13. Charter Schools	5,194		5,194
14. Federal Goals 2000 Prohibition	0		-680
15. Geographic Alliance	50		50
16. Instructional Materials	19,977		19,977
17. Reading Initiatives	5,000		5,000
Total Policy Changes	32,956		61,988
Total 1997-99 Biennium	70,727		157,489
Difference from 1995-97	13,901		52,115
% Change from 1995-97	24.5%		49.5%

Comments:

1. K-12 Technology -

Funding is provided funding for technology matching grants from the State General Fund as well as the Educations Savings Account. One FTE is provided for technical staff to support development of the K-20 network. The matching grants shall be awarded on a competitive basis to school district consortia with applications showing the greatest potential educational benefits. Fifteen percent of the funds are designated for districts meeting the criteria of "financial distress".

2. OSPI Information System Support - Additional money is provided to OSPI to enhance information processing. Funding will allow OSPI to maintain a public database of school information, replace paper reports and publications with electronic media, enhance electronic data collection and distribution systems, and communicate more effectively with schools and the public.

3. Teen Aware Fund Shift - Funding for teen aware is increased by \$400,000 GF-S. Total funding for this program is \$800,000, including \$400,000 from federal funds passed through from the Department of Health.

4. Truancy Board Funding - Truancy boards were established under the Becca bills of 1995 and 1996. The boards were intended to divert students from the court process. These boards duplicate the efforts of schools and the courts because schools work with students and parents to identify an educational plan, and students who do not comply still go through the court process.

5. School Audit Resolution # - One-half of a full-time equivalent staff is provided to OSPI to increase support for a new school district audit resolution process required by HB 1776 (school audits).

1997-99 Budget
Public Schools
OSPI & Statewide Programs

6. Alternative Education Programs - School districts are provided funding for start up costs of alternative educational programs for students who are expelled or drop-out of school. Once students are participating in the alternative program, state funding will be allocated on the same basis as district enrolled students. Districts may employ contracting out and other provisions consistent with ESHB 1378 (student educational opportunity).

7. FCC Licensing Assistance - Funding is provided to the Superintendent of Public Instruction to assist high school vocational education programs which improve skills in working with FM radio communications.

8. Voc Ag Teacher Recruitment - The State Board of Education is to design a program to encourage high school students and others to pursue careers as teachers of agriculture in high school vocational educational programs.

9. Education Centers - Funding is provided to increase the number of state funded education centers from 12 to 13.

10. School Business Efficiency Studies - Funding is provided for studies of school district business practices.

11. Eliminate Complex Needs - Funding is eliminated for complex needs grants provided to 17 qualifying school districts. The allocation formula is based on 1991-93 data measuring the incidence of students who are from low income families, disabled, or non-english speaking and schools where a high number of languages are spoken.

12. Eliminate Magnet Schools - Funding is eliminated for magnet school grants provided to five qualifying school districts for programs designed to encourage racial integration of schools through voluntary transfers.

13. Charter Schools - Funding is provided for charter schools (SHB 2019) , including \$1,013,000 for start up grants of \$250 per charter school pupil. The remaining costs are for students coming from private schools or home school students not currently receiving state support.

14. Federal Goals 2000 Prohibition - The Superintendent of Public Instruction is prohibited from accepting, allocating or expending and federal funds to implement the federal goals 2000 program.

15. Geographic Alliance - Funds are provided for a 50 percent match on an equivalent amount provided by the National Geographic Society for the improvement of teaching of geography in public schools.

16. Instructional Materials - Funds are allocated for the 1998-99 school year at a rate of \$20.82 per student for purchase of instructional materials such as books, software and other technology related investments. The specific expenditure of the funds is to be determined at each school site and school districts are required to allocate all the funds to school buildings. This is expected to provide \$458 per average size classroom.

17. Reading Initiatives - Funds are provided to implement reading initiatives: 2SSB 5508 and ESHB 2042. 2SSB 5508 moves the current 4th grade standardized tests (CTBS) to the third grade in 1997-98 and commissions a study of state sponsored reading tests. The funds are to pay for different test booklets required for 3rd graders use. ESHB 2042 establishes a second grade reading test and provides grants for reading instruction training for K-3 teachers..

1997-99 Budget
Public Schools
General Apportionment
(Dollars in Thousands)

	GF-S	Conference	Total
1995-97 Estimated Expenditures	6,428,005		6,428,005
1997-99 Maintenance Level (ERL)	6,954,838		6,954,838
Policy Changes:			
1. Mix Factor Averaging #	-11,454		-11,454
2. School Audit Resolution #	-2,500		-2,500
Total Policy Changes	-13,954		-13,954
Total 1997-99 Biennium	6,940,884		6,940,884
Difference from 1995-97	512,879		512,879
% Change from 1995-97	8.0%		8.0%

Comments:

1. Mix Factor Averaging # - SB 5395 changes the manner in which average salaries are calculated for state funding of the apportionment and special education programs. Currently, some school districts are being overfunded and some underfunded for their special education program salary costs. This occurs because the average salaries of both programs are not the same but funding in both programs is dependent on the apportionment salary.

Overfunding occurs when a district's average salary of certificated instructional staff in the apportionment program is greater than that of the special education program. Underfunding occurs when the average salary in the special education program exceeds the apportionment program. SB 5395 combines the staff of the two programs to calculate the average salary and eliminates the problem.

2. School Audit Resolution # - SHB 1776 (school audits) strengthens the procedures of the Superintendent of Public Instruction for recovering state money from schools pursuant to audit findings by the Washington State Auditor. Savings are assumed from increased audit recoveries and more cautious school district reporting of student enrollments and staff mix factors.

1997-99 Budget
Public Schools
Pupil Transportation
(Dollars in Thousands)

	GF-S	Conference Total
1995-97 Estimated Expenditures	328,753	328,753
1997-99 Maintenance Level (ERL)	353,904	353,904
Total 1997-99 Biennium	353,904	353,904
Difference from 1995-97	25,151	25,151
% Change from 1995-97	7.7%	7.7%

Comments:

1997-99 Budget
Public Schools
School Food Services
(Dollars in Thousands)

Wednesday, Apr. 16, 1997
11:20 am

	GF-S	Conference Total
1995-97 Estimated Expenditures	6,000	271,176
1997-99 Maintenance Level (ERL)	6,000	282,040
Policy Changes:		
1. Summer Food Program	150	150
2. Federal Day Care Home Food	0	-17,000
Total Policy Changes	150	-16,850
Total 1997-99 Biennium	6,150	265,190
Difference from 1995-97	150	-5,986
% Change from 1995-97	2.5%	-2.2%

Comments:

1. Summer Food Program - This item provides state funding to replace a portion of lost federal funding for summer food programs for children who live in low-income areas.

2. Federal Day Care Home Food - The federal welfare reform legislation restricts eligibility for food subsidies for home day care providers. This is a reduction in federal non-appropriated federal funds.

1997-99 Budget
Public Schools
Special Education
(Dollars in Thousands)

	GF-S	Conference Total
1995-97 Estimated Expenditures	747,920	846,604
1997-99 Maintenance Level (ERL)	749,544	884,650
Policy Changes:		
1. Mix Factor Averaging #	-1,196	-1,196
2. School Audit Resolution #	-2,500	-2,500
3. Medicaid @ Dists Under 2,000	700	700
4. ESD Special Ed. Coordinators	-1,735	-1,735
Total Policy Changes	-4,731	-4,731
Total 1997-99 Biennium	744,813	879,919
Difference from 1995-97	-3,107	33,315
% Change from 1995-97	-0.4%	3.9%

Comments:

1. Mix Factor Averaging # - SB 5395 changes the manner in which average salaries are calculated for state funding of the apportionment and special education programs. Currently, some school districts are being overfunded and some underfunded for their special education program salary costs. This occurs because the average salaries of both programs are not the same but funding in both programs is dependent on the apportionment salary.

Overfunding occurs when a district's average salary of certificated instructional staff in the apportionment program is greater than that of the special education program. Underfunding occurs when the average salary in the special education program exceeds the apportionment program. SB 5395 combines the staff of the two programs to calculate the average salary and eliminates the problem.

2. School Audit Resolution # - SHB 1776 (school audits) strengthens the procedures of the Superintendent of Public Instruction for recovering state money from schools pursuant to audit findings by the Washington State Auditor. Savings are assumed from increased audit recoveries and more cautious school district reporting of student enrollments and staff mix factors.

3. Medicaid @ Dists Under 2,000 - School districts with fewer than 2,000 pupils (class 2) are permitted to keep 50 percent of federal medicaid fund reimbursements for services provided to special education students. Larger districts will continue to be provided 20 percent of the reimbursements with the balance returned to the state to offset special education costs.

1997-99 Budget
Public Schools
Special Education

4. ESD Special Ed. Coordinators - State funding is eliminated for special education coordinators housed at each of the Educational Service Districts. The function of these coordinators has been to assist school districts with the following: state reports and applications for state and federal funds; local special education cooperatives; employment of special education staff; etc.

The majority of Educational Service district funding comes from services purchased by school districts. Services provided by special education coordinators could be maintained through charges to school districts. Funds to pay these charges are expected to be available from federal funds increases to school districts. The source of the federal fund increases to school districts is due to:

- (1) Increases in federal funding for special education of approximately \$14.7 million per year; and
- (2) A Senate budget proviso which requires the Superintendent of Public Instruction to reduce the amount of federal funds retained for agency administrative costs and increase the flow-through of federal funds to school districts by an additional 4 percent. This is expected to increase federal funds allocated to school districts by at least \$2.6 million per year.

1997-99 Budget
Public Schools
Traffic Safety Education
(Dollars in Thousands)

	GF-S	Conference	Total
1995-97 Estimated Expenditures	0		16,928
1997-99 Maintenance Level (ERL)	0		17,179
Total 1997-99 Biennium	0		17,179
Difference from 1995-97	0		251
% Change from 1995-97	0.0%		1.5%

Comments:

1997-99 Budget
Public Schools
Educational Service Districts
(Dollars in Thousands)

Wednesday, Apr. 16, 1997
11:20 am

	GF-S	Conference	Total
1995-97 Estimated Expenditures	8,901		8,901
1997-99 Maintenance Level (ERL)	8,746		8,746
Policy Changes:			
1. Student Teacher Centers	275		275
Total Policy Changes	275		275
Total 1997-99 Biennium	9,021		9,021
Difference from 1995-97	120		120
% Change from 1995-97	1.3%		1.3%

Comments:

1. Student Teacher Centers - Funding is increased for Student Teacher Centers. These centers were established in 1991 to give rural districts the opportunity to host, mentor and recruit student teachers. Funding for this program has been reduced in each biennium since their inception going from \$500,000 to the current \$225,000. This proposal restores the funding level to \$500,000.

1997-99 Budget
Public Schools
Levy Equalization
(Dollars in Thousands)

	GF-S	Conference Total
1995-97 Estimated Expenditures	159,677	159,677
1997-99 Maintenance Level (ERL)	171,545	171,545
Policy Changes:		
1. Increase Levy Equalization #	2,407	2,407
Total Policy Changes	2,407	2,407
Total 1997-99 Biennium	173,952	173,952
Difference from 1995-97	14,275	14,275
% Change from 1995-97	8.9%	8.9%

Comments:

1. Increase Levy Equalization # - HB 2069 (school levies) provides extra support for districts which must request the highest property tax rates to provide a supplement to a district's state and federal budgeted funds. Districts in the quartile which must request the highest tax rates to achieve equal maintenance and operation levy support rates are provided state levy equalization funding. The funding is the equivalent of a 12 percent levy, to the extent the district can pass up to a 12 percent levy. Other districts with qualifying local levy effort will be provided the equivalent of a 10 percent levy as in current statute.

1997-99 Budget
Public Schools
Elementary/Secondary School Improv
(Dollars in Thousands)

	GF-S	Conference Total
1995-97 Estimated Expenditures	0	222,376
1997-99 Maintenance Level (ERL)	0	255,987
Total 1997-99 Biennium	0	255,987
Difference from 1995-97	0	33,611
% Change from 1995-97	0.0%	15.1%

Comments:

1997-99 Budget
Public Schools
Institutional Education
(Dollars in Thousands)

	GF-S	Conference	Total
1995-97 Estimated Expenditures	33,726		42,274
1997-99 Maintenance Level (ERL)	36,261		44,809
Policy Changes:			
1. Juvenile Justice Act Revisions	1,197		1,197
Total Policy Changes	1,197		1,197
Total 1997-99 Biennium	37,458		46,006
Difference from 1995-97	3,732		3,732
% Change from 1995-97	11.1%		8.8%

Comments:

1. Juvenile Justice Act Revisions - Funding is provided for the institutional education cost associated with the implementation of Engrossed 3rd Substitute House Bill 3900, (Juvenile Code Revisions). The legislation is expected to result in an increase in the number of juveniles in local detention centers and juvenile delinquent institutions.

1997-99 Budget
Public Schools
Ed of Highly Capable Students
(Dollars in Thousands)

	GF-S	Conference	Total
1995-97 Estimated Expenditures	8,454		8,454
1997-99 Maintenance Level (ERL)	8,966		8,966
Policy Changes:			
1. Centrum Program Transfer	-86		-86
2. Odyssey of the Mind Transfer	186		186
3. Gifted Funded @ 2 Percent	2,862		2,862
Total Policy Changes	2,962		2,962
Total 1997-99 Biennium	11,928		11,928
Difference from 1995-97	3,474		3,474
% Change from 1995-97	41.1%		41.1%

Comments:

1. Centrum Program Transfer - The program support for Odyssey of the Mind through Centrum is transferred to the state Odyssey of the Mind program.

2. Odyssey of the Mind Transfer - Funding is provided for Odyssey of the Mind program support through the state Odyssey of the Mind organization.

3. Gifted Funded @ 2 Percent - The ratio for providing allocations to school districts for gifted programs is increased to 2 percent of enrolled students from the current maximum of 1.5 percent. This appropriation adds up to \$8.52 per enrolled student for enrichment programs to be designed at the discretion of school districts.

1997-99 Budget
Public Schools
Education Reform
(Dollars in Thousands)

	GF-S	Conference Total
1995-97 Estimated Expenditures	35,966	48,699
1997-99 Maintenance Level (ERL)	56,713	69,446
Policy Changes:		
1. Change Assessment Timeline #	-11,350	-11,350
2. School-To-Work	-2,970	-2,970
3. Superintendent/Principal internship	-1,620	-1,620
4. Federal Goals 2000 Prohibition	0	-12,500
Total Policy Changes	-15,940	-28,440
Total 1997-99 Biennium	40,773	41,006
Difference from 1995-97	4,807	-7,693
% Change from 1995-97	13.4%	-15.8%

Comments:

1. Change Assessment Timeline # - The budget for the Commission on Student Learning assumes policies in legislation that changes the timelines for development of assessments for various subject matters. The proposed budgets implement the Goal 1 and math assessments for the 4th, 7th, and 10th grade levels as currently planned. The 4th grade assessments are currently available, the 7th grade assessments will be available to districts in the 1997-98 school year, and the 10th grade assessments will be available in the 1998-99 school year.

Test specifications for all grade levels of the science assessments are to be developed in 1997-98. The science assessments for the middle and high school levels will be implemented as currently planned and available to districts by the 1998-99 school year. The elementary-level science assessment will be piloted and implemented after the 1997-99 biennium.

The timelines are changed for development of test specifications for all grade levels of the social studies, arts, and health and fitness: test levels will be developed in 1998-99, and the assessments will be available to school districts after the 1997-99 biennium; a 2-3 year delay, and ultimately dependent on the 1999-2001 biennium budget.

2. School-To-Work - Funding is eliminated for this program and funds are transferred to the block grant program, providing local control and flexibility regarding continuation of this program.

3. Superintendent/Principal internship - Funding is eliminated for this program and funds are transferred to the block grant program, providing local control and flexibility regarding continuation of this program. The purpose of this program was to provide funds for release time for staff to receive training to become future administrators.

4. Federal Goals 2000 Prohibition - The Superintendent of Public Instruction is prohibited from accepting, allocating or expending Federal Goals 2000 funds.

1997-99 Budget
Public Schools
Transitional Bilingual Instruction
(Dollars in Thousands)

	GF-S	Conference	Total
1995-97 Estimated Expenditures	54,810		54,810
1997-99 Maintenance Level (ERL)	65,198		65,198
Policy Changes:			
1. Bilingual Enrollment	-638		-638
Total Policy Changes	-638		-638
Total 1997-99 Biennium	64,560		64,560
Difference from 1995-97	9,750		9,750
% Change from 1995-97	17.8%		17.8%

Comments:

1. Bilingual Enrollment - The definition of a bilingual student who is eligible for funding is changed to a student who is enrolled in grades Kindergarten through 12 and receiving instruction in accordance with state bilingual laws. In the 1996-97 school year there are approximately 600 students submitted for funding who do not meet these criteria.

1997-99 Budget
Public Schools
Learning Assistance Program (LAP)
(Dollars in Thousands)

	GF-S	Conference Total
1995-97 Estimated Expenditures	114,627	114,627
1997-99 Maintenance Level (ERL)	121,171	121,171
Total 1997-99 Biennium	121,171	121,171
Difference from 1995-97	6,544	6,544
% Change from 1995-97	5.7%	5.7%

Comments:

1997-99 Budget
Public Schools
Block Grants
(Dollars in Thousands)

	GF-S	Conference	Total
1995-97 Estimated Expenditures	114,969		114,969
1997-99 Maintenance Level (ERL)	49,847		49,847
Policy Changes:			
1. Student Learning Improvement Grants	40,842		40,842
2. Block Grant Rate	6,090		6,090
Total Policy Changes	46,932		46,932
Total 1997-99 Biennium	96,779		96,779
Difference from 1995-97	-18,190		-18,190
% Change from 1995-97	-15.8%		-15.8%

Comments:

1. Student Learning Improvement Grants - Learning Improvement allocations are provided at a rate of \$30 per K-4 student, \$24 per student in grades 5-7, and \$18 per student for grades 8-12. The allocations for learning improvements focus on reading, writing, communication and mathematics in accordance with the timelines specified in Engrossed Second Substitute House Bill 1777. These subject matters constitute about 80 percent of the instruction taking place in grades K-4, about 60 percent in grades 5-7, and about 40 percent in grades 8-12. This requires greater resources in the early grades and less in the upper grades.

2. Block Grant Rate - The block grant rate is increased from the current \$26.30 per student to \$29.86 per student. Part of the increase is due to the transfer of \$3.6 million from two discontinued programs, School-to-Work, and Superintendent/Principal Internship programs.

1997-99 Budget
Public Schools
Compensation Adjustments
(Dollars in Thousands)

Wednesday, Apr. 16, 1997
11:20 am

	GF-S	Conference Total
1995-97 Estimated Expenditures	218,964	218,964
1997-99 Maintenance Level (ERL)	0	0
Policy Changes:		
1. K-12 Salary COLA	176,535	176,535
2. Health Benefit Rate Adjustments	19,751	19,751
Total Policy Changes	196,286	196,286
Total 1997-99 Biennium	196,286	196,286
Difference from 1995-97	-22,678	-22,678
% Change from 1995-97	-10.4%	-10.4%

Comments:

1. K-12 Salary COLA - Salary cost of living adjustments (COLAs) are provided to all state funded school district staff including certificated instructional staff, classified staff and certificated administrative staff. A 3 percent increase is effective September 1, 1997.

2. Health Benefit Rate Adjustments - The current health benefits rate per month of \$314.51 is increased to \$317.34 in 1997-98 and \$335.75 in 1998-99.

1997-99 Budget
Higher Education Coordinating Board
(Dollars in Thousands)

Wednesday, Apr. 16, 1997
11:20 am

	GF-S	Conference Total
1995-97 Estimated Expenditures	152,073	162,288
1997-99 Maintenance Level (ERL)	156,206	165,254
Policy Changes:		
1. Health Benefits Increase	14	14
2. General Inflation	-32	-32
3. State Need Grant	18,154	18,154
4. EOG	2,750	2,750
5. Washington Scholars	967	967
6. Award for Vocational Excellence	232	232
7. Prepaid Tuition #	350	350
8. Capital Planning Oversight	1,000	1,000
9. Computer Upgrade	170	170
10. Undergraduate Fellowships	375	375
11. Western Interstate Commission	5	5
12. Work Study	2,500	8,342
13. Balance Health Services Account	2,236	0
Total Policy Changes	28,721	32,327
Total 1997-99 Biennium	184,927	197,581
Difference from 1995-97	32,854	35,293
% Change from 1995-97	21.6%	21.7%

Comments:

1. Health Benefits Increase - Funding is provided for the increased cost of health benefits due to medical inflation. The rates assumed are \$317.34 for Fiscal Year 1998 and \$335.75 for Fiscal Year 1999.

2. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

3. State Need Grant - Funding is provided for the State Need Grant program in an amount that is equal to 34% of new tuition revenues. The program will serve approximately 6,500 additional students per year with family incomes of approximately 43% percent of the state's median family income.

4. EOG - Funding is provided for the Educational Opportunity Grant program. The increased funding level will serve approximately 1,100 additional student FTEs in the 1997-99 biennium.

5. Washington Scholars - Funding is provided for tuition and fee grants for recipients of the Washington Scholars Award.

6. Award for Vocational Excellence - Funding is provided for tuition and fee grants to recipients of the Washington Award for Vocational Excellence.

7. Prepaid Tuition # - Funding is provided for 1997-99 biennium start up costs of a new Prepaid College Tuition Payment program pursuant to E2SHB 1372 (advanced college tuition payment). This program is designed to enhance the ability of Washington citizens to obtain financial access to institutions of higher education through the encouragement of savings.

8. Capital Planning Oversight - Funding is provided for operational oversight of higher education capital projects. \$50,000 is earmarked for a study of the educational needs in Omak/Okanogan County.

1997-99 Budget
Higher Education Coordinating Board

9. Computer Upgrade - Funds are provided for computer upgrades (\$150,000) and the ongoing costs associated with maintenance and communications (\$20,000).

10. Undergraduate Fellowships - Funding is provided for a demonstration project to establish approximately 15 undergraduate fellowships based upon the graduate fellowship program.

11. Western Interstate Commission - Funding is provided for increased membership dues to the Western Interstate Commission for Higher Education (WICHE).

12. Work Study - Funding is provided for the state and federal work study programs. New state general funds will serve approximately 735 additional student FTEs per year. Funding is also provided through the federal work study program and will serve approximately 2,230 additional students each year.

13. Balance Health Services Account - Funds are provided from the General Fund-State to replace the Health Services Account funding for the Health Professional Loan Repayment and Scholarship Program.

1997-99 Budget
University of Washington
(Dollars in Thousands)

Wednesday, Apr. 16, 1997
11:20 am

	GF-S	Conference Total
1995-97 Estimated Expenditures	526,997	2,353,048
1997-99 Maintenance Level (ERL)	541,888	2,405,512
Policy Changes:		
1. Hospital Inflation	0	6,113
2. Health Benefits Increase	1,593	1,630
3. General Inflation	-4,999	-4,999
4. Enrollment	9,408	13,956
5. Burke Museum	94	94
6. Faculty Retention	2,400	10,988
7. Environmental Health Programs	0	980
8. State Toxicology Lab	0	12
9. Graduate Assistant Health Benefits	2,909	0
10. Senior Dental Health Program	300	300
11. Olympic Natural Resource Center	150	150
12. Primary Care Training	3,343	0
13. Salary Increase	16,644	16,840
14. Tuition Rate Increase	0	4,087
Total Policy Changes	31,842	50,151
Total 1997-99 Biennium	573,730	2,455,663
Difference from 1995-97	46,733	102,615
% Change from 1995-97	8.9%	4.4%

Comments:

1. Hospital Inflation - Funding is provided for anticipated hospital cost inflation at the University of Washington Medical Center and Harborview Hospital. (Nonappropriated University Hospital Account)

2. Health Benefits Increase - Funding is provided for the increased cost of health benefits due to medical inflation. The rates assumed are \$317.34 for Fiscal Year 1998 and \$335.75 for Fiscal Year 1999.

3. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

4. Enrollment - Additional funds provide 225 new full-time equivalent student enrollments (FTEs) in the 1998 and 230 additional FTEs in 1999 at the Seattle main campus; 90 FTEs for the Bothell campus in 1998 and 120 FTEs in 1999; 100 FTEs for the Tacoma campus in 1998 and 145 in 1999. (General Fund-State, Nonappropriated Institutional Operating Fees Account). Enrollments are funded at the HECB cost of instruction. Undergraduate students at the branch campuses are funded at the upper division rate.

5. Burke Museum - Funding is provided for the employment of a fossil preparator/educator at the Burke Museum. This entire amount shall be allocated directly to the Burke Museum.

6. Faculty Retention - General fund support is provided for competitive faculty salary offers to help preserve instructional and research quality. In addition, the university may use funds from the authorized tuition rate increase to provide an average of 1% salary increase in FY 1998 and an additional 2% increase in FY 1999 for faculty and exempt staff. These increases are in addition to the 3% across-the-board general salary increase.

1997-99 Budget
University of Washington

7. Environmental Health Programs - Funds are provided to the University's Department of Environmental Health for the following: agricultural safety, policy analysis and program evaluation, placement of interns with the Department of Labor and Industries, collaborative outreach with the state to elementary and secondary schools regarding workplace safety as part of the federal school to work grant, and research support in occupational epidemiology and biostatistics. (Accident Account-State, Medical Aid Account-State)

8. State Toxicology Lab - Funding is provided for forensic toxicology services to meet the increasing demand for driver drug testing. (Death Investigations Account-State)

9. Graduate Assistant Health Benefits - Funding is provided from the general fund-state for the cost of health benefits for graduate teaching assistants and research assistants.

10. Senior Dental Health Program - Funding is provided for the School of Dentistry's senior dental extern program, dental hygiene degree completion program, and graduate pediatric dental program to serve rural and underserved children.

11. Olympic Natural Resource Center - Funding is provided to increase the research capabilities of the Center.

12. Primary Care Training - Funding is provided from the general fund-state for training of primary care physicians and other primary care providers.

13. Salary Increase - All classified staff will receive salary adjustments of 3.0 percent effective July 1, 1997. Funding is provided for institutions to provide faculty and exempt personnel with an average increase of 3.0 percent effective July 1, 1997. (General Fund-State, Death Investigations Account-State, Accident Account-State, Medical Aid Account-State)

14. Tuition Rate Increase - Funds from tuition rate increases of 4% in each academic year are provided for instructional quality improvements as determined by the university and for optional faculty salary increases. (see Faculty Retention item)

1997-99 Budget
Washington State University
(Dollars in Thousands)

Wednesday, Apr. 16, 1997
11:20 am

	GF-S	Conference Total
1995-97 Estimated Expenditures	309,713	691,962
1997-99 Maintenance Level (ERL)	323,233	713,547
Policy Changes:		
1. Health Benefits Increase	913	913
2. General Inflation	-1,790	-1,793
3. Enrollment	4,614	6,762
4. Air Pollution Control Adjustment	0	-4
5. Faculty Retention	1,200	5,955
6. Graduate Assistant Health Benefits	1,400	0
7. Salary Increase	9,893	9,893
8. Tuition Rate Increase	0	2,305
Total Policy Changes	16,230	24,031
Total 1997-99 Biennium	339,463	737,578
Difference from 1995-97	29,750	45,616
% Change from 1995-97	9.6%	6.6%

Comments:

1. Health Benefits Increase - Funding is provided for the increased cost of health benefits due to medical inflation. The rates assumed are \$317.34 for Fiscal Year 1998 and \$335.75 for Fiscal Year 1999.

2. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

3. Enrollment - Funding is provided for 620 new full-time equivalent student enrollments (FTEs) in the 1997-99 Biennium. The increases include: 320 FTEs in academic year 1998-99 for the Pullman campus; 90 FTEs in academic year 1998-99 for the Spokane campus; 30 FTEs in academic year 1997-98 and 60 additional FTEs in academic year 1998-99 for the Tri Cities campus; and 120 FTEs in academic year 1998-99 for the Vancouver campus. (General Fund-State, Nonappropriated Institutional Operating Fees Account) Enrollments are funded at the HECB cost of instruction. Undergraduate students at the branch campuses are funded at the upper division rate.

4. Air Pollution Control Adjustment - Funding is reduced to balance expenditures with available revenues. (Air Pollution Control Account-State)

5. Faculty Retention - General fund support is provided for competitive faculty salary offers to help preserve instructional and research quality. In addition, the university may use funds from the authorized tuition rate increase to provide an average of 1% salary increase in FY 1998 and an additional 2% increase in FY 1999 for faculty and exempt staff. These increases are in addition to the 3% across-the-board general salary increase.

6. Graduate Assistant Health Benefits - Funding is provided from the general fund-state for the cost of health benefits for graduate teaching assistants and research assistants.

7. Salary Increase - All classified staff will receive salary adjustments of 3.0 percent effective July 1, 1997. Funding is also provided for institutions to provide faculty and exempt personnel with an average increase of 3.0 percent effective July 1, 1997.

8. Tuition Rate Increase - Funds from tuition rate increases of 4% in each academic year are provided for instructional quality improvements as determined by the university and for optional faculty salary increases. (see Faculty Retention item)

1997-99 Budget
Eastern Washington University
(Dollars in Thousands)

Wednesday, Apr. 16, 1997
11:20 am

	GF-S	Conference Total
1995-97 Estimated Expenditures	75,744	143,119
1997-99 Maintenance Level (ERL)	76,402	139,448
Policy Changes:		
1. Health Benefits Increase	250	250
2. General Inflation	-677	-750
3. Faculty Retention	107	1,340
4. Graduate Assistant Health Benefits	200	0
5. Salary Increase	2,418	2,418
6. Tuition Rate Increase	0	487
Total Policy Changes	2,298	3,745
Total 1997-99 Biennium	78,700	143,193
Difference from 1995-97	2,956	74
% Change from 1995-97	3.9%	0.1%

Comments:

1. Health Benefits Increase - Funding is provided for the increased cost of health benefits due to medical inflation. The rates assumed are \$317.34 for Fiscal Year 1998 and \$335.75 for Fiscal Year 1999.

2. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

3. Faculty Retention - General fund support is provided for competitive faculty salary offers to help preserve instructional and research quality. In addition, the university may use funds from the authorized tuition rate increase to provide an average of 1% salary increase in FY 1998 and an additional 2% increase in FY 1999 for faculty and exempt staff. These increases are in addition to the 3% across-the-board general salary increase.

4. Graduate Assistant Health Benefits - Funding is provided from the general fund-state for the cost of health benefits for graduate teaching assistants and research assistants.

5. Salary Increase - All classified staff will receive salary adjustments of 3.0 percent effective July 1, 1997. Funding is also provided for institutions to provide faculty and exempt personnel with an average increase of 3.0 percent effective July 1, 1997.

6. Tuition Rate Increase - Funds from tuition rate increases of 4% in each academic year are provided for instructional quality improvements as determined by the university and for optional faculty salary increases. (see Faculty Retention item)

1997-99 Budget
Central Washington University
(Dollars in Thousands)

Wednesday, Apr. 16, 1997
11:20 am

	GF-S	Conference Total
1995-97 Estimated Expenditures	69,886	123,790
1997-99 Maintenance Level (ERL)	72,112	134,188
Policy Changes:		
1. Health Benefits Increase	247	247
2. General Inflation	-334	-334
3. Enrollment	1,279	1,907
4. Faculty Retention	102	1,174
5. Graduate Assistant Health Benefits	140	0
6. Salary Increase	2,284	2,284
7. Tuition Rate Increase	0	793
Total Policy Changes	3,718	6,071
Total 1997-99 Biennium	75,830	140,259
Difference from 1995-97	5,944	16,469
% Change from 1995-97	8.5%	13.3%

Comments:

1. Health Benefits Increase - Funding is provided for the increased cost of health benefits due to medical inflation. The rates assumed are \$317.34 for Fiscal Year 1998 and \$335.75 for Fiscal Year 1999.

2. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

3. Enrollment - Funding is provided for 90 student FTEs in Fiscal Year 1998 and an additional 100 student FTEs in Fiscal Year 1999. (General Fund-State, Nonappropriated Institutional Operating Fees Account)

5. Graduate Assistant Health Benefits - Funding is provided from the general fund-state for the cost of health benefits for graduate teaching assistants and research assistants.

6. Salary Increase - All classified staff will receive salary adjustments of 3.0 percent effective July 1, 1997. Funding is also provided for institutions to provide faculty and exempt personnel with an average increase of 3.0 percent effective July 1, 1997.

7. Tuition Rate Increase - Funds from tuition rate increases of 4% in each academic year are provided for instructional quality improvements as determined by the university and for optional faculty salary increases. (see Faculty Retention item)

1997-99 Budget
The Evergreen State College
(Dollars in Thousands)

Wednesday, Apr. 16, 1997
11:20 am

	GF-S	Conference	Total
1995-97 Estimated Expenditures	37,761		66,335
1997-99 Maintenance Level (ERL)	38,731		68,110
Policy Changes:			
1. Health Benefits Increase	143		143
2. General Inflation	-464		-464
3. Enrollment	887		1,789
4. Faculty Retention	58		640
5. Salary Increase	1,314		1,314
6. Tuition Rate Increase	0		767
Total Policy Changes	1,938		4,189
Total 1997-99 Biennium	40,669		72,299
Difference from 1995-97	2,908		5,964
% Change from 1995-97	7.7%		9.0%

Comments:

1. Health Benefits Increase - Funding is provided for the increased cost of health benefits due to medical inflation. The rates assumed are \$317.34 for Fiscal Year 1998 and \$335.75 for Fiscal Year 1999.

2. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

3. Enrollment - Funding is provided for 90 student FTEs in Fiscal Year 1998 and an additional 80 student FTEs in Fiscal Year 1999. (General Fund-State, Nonappropriated Institutional Operating Fees Account)

4. Faculty Retention - General fund support is provided for competitive faculty salary offers to help preserve instructional and research quality. In addition, the college may use funds from the authorized tuition rate increase to provide an average of 1% salary increase in FY 1998 and an additional 2% increase in FY 1999 for faculty and exempt staff. These increases are in addition to the 3% across-the-board general salary increase.

5. Salary Increase - All classified staff will receive salary adjustments of 3.0 percent effective July 1, 1997. Funding is also provided for institutions to provide faculty and exempt personnel with an average increase of 3.0 percent effective July 1, 1997.

6. Tuition Rate Increase - Funds from tuition rate increases of 4% in each academic year are provided for instructional quality improvements as determined by the university and for optional faculty salary increases. (see Faculty Retention item)

1997-99 Budget
Joint Center for Higher Education
(Dollars in Thousands)

Wednesday, Apr. 16, 1997
11:20 am

	GF-S	Conference	Total
1995-97 Estimated Expenditures	2,462		9,587
1997-99 Maintenance Level (ERL)	2,717		9,867
Policy Changes:			
1. Campus Development	0		622
2. Health Benefits Increase	1		1
3. Local Fund/Grant Activity Increase	0		1,520
4. General Inflation	-79		-104
5. Building Maintenance	300		300
Total Policy Changes	222		2,339
Total 1997-99 Biennium	2,939		12,206
Difference from 1995-97	477		2,619
% Change from 1995-97	19.4%		27.3%

Comments:

1. Campus Development - Funding is adjusted to reflect gross expenditures pursuant to State Auditor findings. The Joint Center for Higher Education (JCHE) must identify the gross rather than the net amount of revenue from its leased properties and the management expenses to maintain those properties. In addition, an increase in expenditures for Riverpoint Campus improvements (street, parking, and utility improvements, environmental studies, etc.) is supported by an increase in revenue from grants and fund reserves. (Dedicated Local Account, Nonappropriated)

2. Health Benefits Increase - Funding is provided for the increased cost of health benefits due to medical inflation. The rates assumed are \$317.34 for Fiscal Year 1998 and \$335.75 for Fiscal Year 1999.

3. Local Fund/Grant Activity Increase - Funding is provided for grants, personal service contracts, and additional FTE staff authority for student interns and temporary staff during the 1997-99 Biennium. This funding represents the last two years of a \$15 million federal grant. The total FTE staff supported by grant activity will be reviewed in the next biennial budget to ensure continued grant and local fund support for the allotted FTE staff. (Grant and Contract Account, Nonappropriated and Dedicated Local Account, Nonappropriated)

4. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

5. Building Maintenance - Funds are provided for increased costs of building and grounds maintenance due to termination of contractual services.

1997-99 Budget
Western Washington University
(Dollars in Thousands)

	GF-S	Conference Total
1995-97 Estimated Expenditures	88,242	163,781
1997-99 Maintenance Level (ERL)	91,776	181,935
Policy Changes:		
1. Health Benefits Increase	324	324
2. General Inflation	-839	-839
3. Enrollment	2,090	3,097
4. Faculty Retention	133	1,566
5. Graduate Assistant Health Benefits	200	0
6. Salary Increase	2,993	2,993
7. Tuition Rate Increase	0	1,148
Total Policy Changes	4,901	8,289
Total 1997-99 Biennium	96,677	190,224
Difference from 1995-97	8,435	26,443
% Change from 1995-97	9.6%	16.1%

Comments:

1. Health Benefits Increase - Funding is provided for the increased cost of health benefits due to medical inflation. The rates assumed are \$317.34 for Fiscal Year 1998 and \$335.75 for Fiscal Year 1999.

2. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

3. Enrollment - Funding is provided for 150 student FTEs in Fiscal Year 1998 and an additional 150 student FTEs in Fiscal Year 1999. (General Fund-State, Nonappropriated Institutional Operating Fees Account)

4. Faculty Retention - General fund support is provided for competitive faculty salary offers to help preserve instructional and research quality. In addition, the university may use funds from the authorized tuition rate increase to provide an average of 1% salary increase in FY 1998 and an additional 2% increase in FY 1999 for faculty and exempt staff. These increases are in addition to the 3% across-the-board general salary increase.

5. Graduate Assistant Health Benefits - Funding is provided from the general fund-state for the cost of health benefits for graduate teaching assistants and research assistants.

6. Salary Increase - All classified staff will receive salary adjustments of 3.0 percent effective July 1, 1997. Funding is also provided for institutions to provide faculty and exempt personnel with an average increase of 3.0 percent effective July 1, 1997.

7. Tuition Rate Increase - Funds from tuition rate increases of 4% in each academic year are provided for instructional quality improvements as determined by the university and for optional faculty salary increases. (see Faculty Retention item)

1997-99 Budget
Community/Technical College System
(Dollars in Thousands)

Wednesday, Apr. 16, 1997
11:20 am

	GF-S	Conference Total
1995-97 Estimated Expenditures	704,066	1,251,430
1997-99 Maintenance Level (ERL)	728,097	1,239,183
Policy Changes:		
1. Health Benefits Increase	2,683	2,683
2. Worker Training Funding	28,714	34,303
3. General Inflation	-4,860	-4,860
4. Enrollment	21,500	27,250
5. New Campus Support	1,650	1,650
6. Faculty Salary Disparity	0	7,715
7. Faculty Salary Increments	3,137	3,137
8. Fund for Innovation and Quality	-4,000	-4,000
9. Salary Increase	22,331	22,331
10. Tuition Rate Increase	0	3,363
Total Policy Changes	71,155	93,572
Total 1997-99 Biennium	799,252	1,332,755
Difference from 1995-97	95,186	81,325
% Change from 1995-97	13.5%	6.5%

Comments:

1. Health Benefits Increase - Funding is provided for the increased cost of health benefits due to medical inflation. The rates assumed are \$317.34 for Fiscal Year 1998 and \$335.75 for Fiscal Year 1999.

2. Worker Training Funding - Special funds as defined under RCW 28B.50.851 are provided from the state general fund and from the Employment and Training Trust Fund for unemployed workers' training. Funding supports up to 7,200 student FTEs each year of the 1997-99 biennium. The general fund-state funding level assumes that the total remaining balance of funds in the Employment and Training Trust Fund are utilized. Funding is also included for support services which may include child care assistance, transportation and financial aid.

3. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

4. Enrollment - Funding is provided for 2,100 student FTEs in Fiscal Year 1998 and an additional 2,100 student FTEs in Fiscal Year 1999. (General Fund-State, Nonappropriated Institutional Operating Fees Account)

5. New Campus Support - Funding is provided for administration and senior faculty to develop curricula, organize operations, and plan the purchase of library resources. Cascadia Community College plans to open for classes in the fall of 1999 in new space co-located with the University of Washington Bothell branch campus.

6. Faculty Salary Disparity - The State Board is authorized to allocate up to \$7.715 million of the funds generated by the tuition rate increase for the purpose of addressing part-time faculty salaries. The state board may direct that part-time salary increases are provided or that full-time positions are made available.

7. Faculty Salary Increments - General fund support is provided in addition to faculty turnover savings for faculty salary increments.

8. Fund for Innovation and Quality - The grant program, which was initiated in the 1996 supplemental budget, is eliminated.

1997-99 Budget
Community/Technical College System

9. Salary Increase - All classified staff will receive salary adjustments of 3.0 percent effective July 1, 1997. Funding is also provided for institutions to provide faculty and exempt personnel with an average increase of 3.0 percent effective July 1, 1997. (General Fund-State, Employment and Training Trust Fund)

10. Tuition Rate Increase - Funds from tuition rate increases of 4% in each academic year are provided for instructional quality improvements as determined by the colleges and for optional faculty salary increases. (see also Faculty Disparity item)

1997-99 Budget
State School for the Blind
(Dollars in Thousands)

Wednesday, Apr. 16, 1997
11:20 am

	GF-S	Conference	Total
1995-97 Estimated Expenditures	7,220		7,229
1997-99 Maintenance Level (ERL)	7,443		7,636
Policy Changes:			
1. Outreach Program	70		70
2. General Inflation	-61		-62
Total Policy Changes	9		8
Total 1997-99 Biennium	7,452		7,644
Difference from 1995-97	232		415
% Change from 1995-97	3.2%		5.7%

Comments:

1. Outreach Program - Funding is provided for an outreach services coordinator. The Washington State School for the Blind has expanded its outreach to serve 321 percent more blind children since 1991. Much of the funding for outreach services comes from contracted services with Education Service Districts and Local Education Agencies. This item provides 1.0 FTE staff to serve as Director of Outreach, with one-third of the funding from General Fund-State. The remaining funding will be from contracted services with the Local Education Agencies and Education Service Districts for actual outreach services and from the federal grant received for the Washington Instructional Resource Center to act as Project Director.

* **Staffing Adjustment** - A technical adjustment is made in the FTE staff authority for two fully funded positions previously transferred from the Washington State School for the Deaf to the Washington State School for the Blind.

2. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

1997-99 Budget
State School for the Deaf
(Dollars in Thousands)

Wednesday, Apr. 16, 1997
11:20 am

	GF-S	Conference	Total
1995-97 Estimated Expenditures	12,947		12,966
1997-99 Maintenance Level (ERL)	12,966		12,967
Policy Changes:			
1. Extended School Year	40		40
2. General Inflation	-89		-90
Total Policy Changes	-49		-50
Total 1997-99 Biennium	12,917		12,917
Difference from 1995-97	-30		-49
% Change from 1995-97	-0.2%		-0.4%

Comments:

1. Extended School Year - Funding is provided for the Extended School Year (ESY) program. The ESY program will provide on-going educational programs during the summer to Washington State School for the Deaf (WSD) students as required in their Individual Evaluation Programs. Currently, approximately 10 percent of the WSD students have been identified as needing educational services during the summer months. This item provides half the necessary funds with the expectation that WSD will work with the Local Education Agencies to share costs to provide summer educational services to students.

2. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

1997-99 Budget
Work Force Trng & Educ Coord Board
(Dollars in Thousands)

Wednesday, Apr. 16, 1997
11:20 am

	GF-S	Conference	Total
1995-97 Estimated Expenditures	3,342		38,516
1997-99 Maintenance Level (ERL)	3,406		38,295
Policy Changes:			
1. Program Reduction	-114		-114
2. General Inflation	-14		-29
Total Policy Changes	-128		-143
Total 1997-99 Biennium	3,278		38,152
Difference from 1995-97	-64		-364
% Change from 1995-97	-1.9%		-0.9%

Comments:

1. Program Reduction - Funding is reduced based on anticipated efficiencies in work force planning and evaluation and private vocational school licensure activities.

2. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

1997-99 Budget
State Library
(Dollars in Thousands)

Wednesday, Apr. 16, 1997
11:20 am

	GF-S	Conference	Total
1995-97 Estimated Expenditures	14,705		19,601
1997-99 Maintenance Level (ERL)	14,796		19,762
Policy Changes:			
1. Reduce Storage Collection	-23		-23
2. General Inflation	-207		-326
3. Government Information Locator	198		198
Total Policy Changes	-32		-151
Total 1997-99 Biennium	14,764		19,611
Difference from 1995-97	59		10
% Change from 1995-97	0.4%		0.1%

Comments:

1. Reduce Storage Collection - The Library will reduce its need for storage by moving approximately 50 percent of outdated books that are not considered primary mission of the Library to other local libraries. This reduction was proposed by the library in Governor Locke's budget options review.

2. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

3. Government Information Locator - Funding is provided to continue the evaluation of the Government Information Locator Service (GILS) pilot project in fiscal year 1998.

1997-99 Budget
Washington State Arts Commission
(Dollars in Thousands)

Wednesday, Apr. 16, 1997
11:20 am

	GF-S	Conference	Total
1995-97 Estimated Expenditures	4,289		5,770
1997-99 Maintenance Level (ERL)	4,269		4,959
Policy Changes:			
1. Program Reduction	-213		-213
2. General Inflation	-28		-28
Total Policy Changes	-241		-241
Total 1997-99 Biennium	4,028		4,718
Difference from 1995-97	-261		-1,052
% Change from 1995-97	-6.1%		-18.2%

Comments:

1. Program Reduction - The agency proposed this reduction in Governor Locke's budget options review. Development of additional public/private partnership opportunities permit the reduction of the Arts Commission's state budget by 5 percent.

2. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

1997-99 Budget
Washington State Historical Society
(Dollars in Thousands)

Wednesday, Apr. 16, 1997
11:20 am

	GF-S	Conference	Total
1995-97 Estimated Expenditures	4,312		5,323
1997-99 Maintenance Level (ERL)	5,147		6,626
Policy Changes:			
1. Local Area Network Support	-38		-38
2. Customer Survey	0		6
3. General Inflation	-76		-107
Total Policy Changes	-114		-139
Total 1997-99 Biennium	5,033		6,487
Difference from 1995-97	721		1,164
% Change from 1995-97	16.7%		21.9%

Comments:

1. Local Area Network Support - Efficiencies gained from use of a local area network to connect the three museum sites for fiscal and telecommunications use will generate savings to cover the Department of Information Services charges for the network. The agency suggested this reduction through Governor Locke's budget options review.

2. Customer Survey - Additional local funds are provided to conduct customer surveys. (Local Museum Account)

3. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

1997-99 Budget
East Wash State Historical Society
(Dollars in Thousands)

Wednesday, Apr. 16, 1997
11:20 am

	GF-S	Conference	Total
1995-97 Estimated Expenditures	1,219		1,219
1997-99 Maintenance Level (ERL)	1,504		1,504
Policy Changes:			
1. General Inflation	-16		-16
2. Exhibit Design and Planning	275		275
Total Policy Changes	259		259
Total 1997-99 Biennium	1,763		1,763
Difference from 1995-97	544		544
% Change from 1995-97	44.6%		44.6%

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

2. Exhibit Design and Planning - Funds are provided for the design and planning of the Tribes of the Plateau exhibit. (General Fund- State)

1997-99 Budget
Bond Retirement and Interest
(Dollars in Thousands)

Wednesday, Apr. 16, 1997
11:20 am

	GF-S	Conference Total
1995-97 Estimated Expenditures	861,672	971,164
1997-99 Maintenance Level (ERL)	968,313	1,127,124
Policy Changes:		
1. Debt Service Fund Realignment #	0	-12,473
2. 1997-99 Capital Budget	13,415	25,757
3. Energy Efficiency Bonds	281	281
Total Policy Changes	13,696	13,565
Total 1997-99 Biennium	982,009	1,140,689
Difference from 1995-97	120,337	169,525
% Change from 1995-97	14.0%	17.5%

Comments:

1. Debt Service Fund Realignment # - The realignment of debt service funds distinguishes the various types of debt service into categories that correspond to debt service classifications in the operating budget. Many single purpose bond retirement funds will be reorganized into seven new debt service funds. Because there is no net change in expenditures resulting from this realignment, this item is displayed as a total funds change of zero. (various debt service funds)

2. 1997-99 Capital Budget - Funds are provided to pay debt service and bond sale expenses for the 1997-99 Capital program. (General Fund-State and various debt service accounts)

3. Energy Efficiency Bonds - Funds are provided to pay debt service for energy efficiency bonds which were authorized in 1992. At the time the energy bonds were authorized, it was anticipated that the debt service would be paid by agencies from resulting energy savings. With the elimination of the State Energy Office in 1996, there is no longer a source of recovery for debt service payment. (General Fund-State)

1997-99 Budget
Special Approps to the Governor
(Dollars in Thousands)

Wednesday, Apr. 16, 1997
11:20 am

	GF-S	Conference	Total
1995-97 Estimated Expenditures	6,781		8,572
1997-99 Maintenance Level (ERL)	6,714		9,653
Policy Changes:			
1. Year 2000 Computer Conversions	5,340		26,427
2. Regulatory Reform	3,370		7,039
3. Emergency Fund Reduction	-700		-700
Total Policy Changes	8,010		32,766
Total 1997-99 Biennium	14,724		42,419
Difference from 1995-97	7,943		33,847
% Change from 1995-97	117.1%		394.9%

Comments:

1. Year 2000 Computer Conversions - In consultation with the Department of Information Services, the Office of Financial Management will allocate monies from the state general fund and other sources to allow state agencies to make older computer systems compatible with calendar dates of Year 2000 and beyond. Specific funding and projects have been identified in 11 agencies. No transportation agencies have been included in this combined funding.

In addition, \$10.0 million dollars will be set aside from existing fund balances in the Data Processing Revolving Account to provide contingency funding to address unforeseen expenses that may be encountered as computer conversions are implemented. The Data Processing Revolving Account is nonappropriated. (General Fund-State, Data Processing Revolving Account-Nonappropriated, other various accounts)

2. Regulatory Reform - Funding is provided to implement the rules review provisions of E2SHB 1032 (regulatory reform). The Office of Financial Management is directed to allocate the funds to agencies that are subject to significant legislative rule making requirements of the legislation after approving each agency's plan for implementation.

3. Emergency Fund Reduction - The Governor's Emergency Fund allocation is reduced to \$500,000 per fiscal year. It is anticipated that weather-related emergencies that exceed the allocation will be considered by the Legislature on a supplemental basis.

1997-99 Budget
State Employee Compensation Adjust
(Dollars in Thousands)

Wednesday, Apr. 16, 1997
11:20 am

	GF-S	Conference Total
1995-97 Estimated Expenditures	585	585
1997-99 Maintenance Level (ERL)	0	0
Policy Changes:		
1. Salary Reclass Implementation	15,931	24,793
2. Attorney General Salary Increase	500	1,000
3. Health Benefits Adj (State Emp)	7,080	15,122
4. State Employee Salary Increase	62,452	128,708
Total Policy Changes	85,963	169,623
Total 1997-99 Biennium	85,963	169,623
Difference from 1995-97	85,378	169,038
% Change from 1995-97	14594.5%	28895.4%

Comments:

1. Salary Reclass Implementation - Funding is provided to grant specific salary increases to some classified state and higher education employees. These increases are attributed to implementation of Chapter 319, Laws of 1996 (SSB 6767 -- Compensation modifications for state employees). Salary increase recommendations reflect prioritized salary adjustment decisions made to address salary inequities, recruitment and retention issues, salary compression or inversion, and increased duties and responsibilities. These prioritized decisions were adopted by the Washington Personnel Resources Board.

Classifications receiving adjustments beginning July 1, 1997 include: various clerical classes, physicians, dental classifications, pharmacists, maintenance custodians, medical records technicians, fish/wildlife biologists, fish/wildlife enforcement, habitat technicians, and fiscal technician classifications. Classifications receiving adjustments beginning July 1, 1998 include: various safety classifications, park rangers, park aides, correctional officers/sergeants, community corrections specialists, tax information specialists, industrial relations specialists, electrical classifications (Department of Labor & Industries), fingerprint technicians, some labor relations classifications, health benefits specialists, Department of Natural Resources foresters/land managers, and liquor enforcement officers. (General Fund-State, Other Funds)

2. Attorney General Salary Increase - Funding is provided to implement half of the second phase of the Attorney General's 1994 compensation study. This phase includes funding for increases for Assistant Attorney General levels 1 and 2. The continued funding of this request will maintain the investment made in the 1995-97 biennial budget that will help in Attorney General's recruitment and retention issues. (General Fund-State, Other Funds)

3. Health Benefits Adj (State Emp) - The legislative budget provides an additional appropriation for state employee health benefits to increase rates for medical inflation of 4.4% percent for calendar year 1998 and 4.6 percent for calendar year 1999. The rates assumed are \$317.34 for Fiscal Year 1998 and \$335.75 for Fiscal Year 1999. (General Fund-State, General Fund-Federal, Other Funds)

4. State Employee Salary Increase - Funding is provided for a one time 3% cost of living (COLA), effective 7/1/97.

1997-99 Budget
Contributions to Retirement Systems
(Dollars in Thousands)

Wednesday, Apr. 16, 1997
11:20 am

	GF-S	Conference Total
1995-97 Estimated Expenditures	189,600	189,600
1997-99 Maintenance Level (ERL)	159,600	159,600
Total 1997-99 Biennium	159,600	159,600
Difference from 1995-97	-30,000	-30,000
% Change from 1995-97	-15.8%	-15.8%

Comments:

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